

**BYLAWS OF
THE MISSION VIEJO NADADORES FOUNDATION**

A California Nonprofit Public Benefit Corporation

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BYLAWS

for the regulation, except
as otherwise provided by statute or
its Articles of Incorporation,

of

THE MISSION VIEJO NADADORES FOUNDATION

A California Nonprofit Public Benefit Corporation (the
"Corporation")

ARTICLE I. OFFICES.

Section 1.01 Principal Office. The Corporation's principal office shall be fixed and located at such place as the Board of Directors (the "Board") shall determine. The Board is granted full power and authority to change said principal office from one location to another.

Section 1.02 Other Offices. Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE II. MEMBERSHIP.

Section 2.01 Qualification of Members; Annual Dues. Any person may become a member of the Corporation by filing a written application which is thereafter accepted. Each member must pay, within the time and on the conditions set by the Board, the dues, fees and/or assessments in amounts to be fixed from time to time by the Board.

Such annual dues, fees and/or assessments may be increased from time to time by action of the Board.

Persons who make an initial payment of dues to the Corporation of at least \$5,000.00 shall be designated Lifetime members and shall not be required to make annual dues payments.

A member may be suspended or deprived of his/her membership for failure to pay dues or assessments within fifteen (15) days after they become due or for cause at the discretion of the Board. No member may be suspended or deprived of his/her membership except pursuant to the procedures set forth in California Corporations Code Section 5341 and unless such action is concurred in by the affirmative vote of two-thirds of the members of the Board present at a meeting at which charges are presented.

Section 2.02 Members Entitled to Vote. Notwithstanding anything contained in these Bylaws, each membership, including a membership designated a Family Membership, shall be entitled to one (1) vote. Designations of memberships based on payment of increased or reduced annual dues shall not entitle the holder thereof to any greater or lesser rights than any other member. The Board may fix in advance a record date for determining the members

entitled to receive notice of a membership meeting. This record date shall be no more than ninety (90) nor less than ten (10) days before the meeting. If no record date has been fixed, notice shall be given to all persons who were members as of the close of business on the business day preceding the day that notice is sent.

Section 2.03 Non-transferable . Memberships shall not be transferable.

Section 2.04 Place of Meetings. All annual meetings of the membership, and all other meetings shall be held either at the principal office or at any other place within the State of California which may be designated by the Board pursuant to authority hereinafter granted to the Board, unless otherwise designated by written consent of twenty percent (20%) of the membership entitled to vote thereat, given thirty (30) days before the meeting and filed with the Secretary of the Corporation.

Section 2.05 Annual Meetings. The annual meetings of the members shall be held each year on the third Tuesday of October of each year at 7:00 p.m., unless the Board fixes another date or time and so notifies the members as provided in Section 2.07. If the scheduled date falls on a legal holiday, then the annual meeting shall be held on the next business day. At this meeting, directors shall be elected and any other proper business may be transacted, subject to Sections 2.10 and 2.11 of these Bylaws.

Section 2.06 Special Meetings. Special meetings of the members for any purpose or purposes whatsoever may be called at any time by the President at the direction of the Board, or by not less than five percent of the membership of the Corporation. Notices of any special meetings shall specify in addition the business to be transacted.

Section 2.07 Notices. Written notice of annual and special meetings shall be given each member entitled to vote thereat, either personally, or by mail, by email or other means of written communication, charges prepaid, addressed to such member at his/her address appearing on the books of the Corporation or given by him/her to the Corporation for the purpose of notice. If a member gives no address, notice shall be deemed to have been given to him/her if sent by mail or other means of written communication addressed to the place where the principal office of the Corporation is situated or if published at least once in some newspaper of general circulation in the county in which said office is located. All said notices shall be sent to such member entitled thereto not less than ten days nor more than ninety days before such annual meeting, and shall specify the place, day, and hour of such meeting, and shall also state the general nature of the business or proposal to be considered or acted upon at such meeting before action may be taken at such meeting on:

- (a) A proposal to sell, lease, convey, exchange, transfer, or otherwise dispose of all or substantially all of the property or assets of the Corporation;
- (b) A proposal to amend the Articles of Incorporation;
- (c) A proposal to wind up and dissolve the Corporation;
- (d) A proposal to adopt a plan of distribution of assets for any

consideration other than money in the process of winding up the affairs of the Corporation;

- (e) A proposal to remove an elected director without cause; or
- (f) A proposal to fill a vacancy on the Board.

Section 2.08 Adjourned Meetings and Notice Thereof. Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by a vote of greater than fifty percent (50%) of the members present, but in the absence of a quorum, no other business may be transacted at any such meeting.

Section 2.09 Entry of Notice. Whenever any member entitled to vote has been absent from any meeting of the membership, an entry in the minutes to the effect that notice has been duly given shall be sufficient evidence that due notice of such meeting was given to such member as required by law and by the Bylaws of the Corporation.

Section 2.10 Quorum. The presence in person of twenty percent (20%) of the total membership entitled to vote at any meeting shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjourned, notwithstanding the withdrawal of enough members to leave less than a quorum. If the quorum present in person or by proxy at any meeting is less than one-third (1/3) of the total membership entitled to vote at that meeting, the only matters that can be acted on at that meeting are matters specified in the notice of that meeting.

Section 2.11 Voting. At all meetings of the membership, every member entitled to vote shall have the right to vote in person. Such vote may be given by voice or by ballot, except that any election of directors must be by ballot if demanded by any member at the meeting before the voting begins. If a quorum is present, the affirmative vote of at least a majority of those present shall be the act of the members, unless the vote of a greater number is required by the California Nonprofit Public Benefit Corporation Law. There shall be only one (1) class of members, except as to election of directors, in which case members shall be classified as either "Swim Members" or "Dive Members." Swim Members will be eligible to vote for Swim directors and Dive Members will be eligible to vote for Dive directors. In the event a member is a member of both the swim and dive teams, that member shall elect whether to be classified as a Swim Member or a Dive Member. In any event, each member shall be entitled to one (1) vote.

Section 2.12 Action by Unanimous Written Consent. 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 proceedings of the members. The action shall have the same force and effect as the unanimous vote of the members.

Section 2.13 Nominations For Directors. At the first meeting of the membership following the adoption of these Bylaws, the Board shall present candidates which have been nominated by the members for election to the Board, and additional candidates may be nominated from the floor. Thereafter, the Board shall appoint a Nominating Committee to

seek out qualified candidates for election to serve on the Board at least ninety (90) days before the date of any election of directors. The Nominating Committee shall make a report to the Board at least forty-five (45) days before the date of the election, or at such other times as the Board may set, and the Secretary shall forward to each member, with the notice of meeting required by these Bylaws, a list of all candidates nominated by committee under this section.

Additional candidates may be nominated from the floor at the Annual Meeting and shall be eligible for election. The President or other person presiding over the General Meeting shall call for nominations from the floor.

Section 2.14 Solicitation of Votes. The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members his or her qualifications, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

ARTICLE III. DIRECTORS.

Section 3.01 Powers. Subject to limitations of the Articles of Incorporation (the "Articles") of the Corporation and these Bylaws, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, a management company or committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws :

(a) To select and remove all officers, agents and employees of the Corporation, prescribe powers and duties for them as may not be inconsistent with law, the Articles or these Bylaws, fix their compensation and require from them security for faithful service as the Board may deem appropriate.

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

(a) To adopt, make and use a corporate seal and to alter the form of such seal from time to time as they may deem appropriate.

(b) To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation or other evidences of debt and securities therefor.

(c) To hire and fire the Executive Director, if any, but only upon a recommendation by a majority of the Compensation Committee and a vote of

eighty percent (80%) of the Board.

Section 3.02 Number of Directors; Composition of the Board. The board of directors shall consist of at least twelve (12) but no more than sixteen (16) directors, at least twelve (12) of which shall be elected by the members, as set forth in Section 3.03 below. No person may become a director if he/she is a member of the same immediate family as any other director. The authorized number of directors may be changed by amendment of the Articles or this Bylaw. Upon the adoption of these amended and restated Bylaws in February 2019, the board of directors shall consist of fourteen (14) directors. The composition of the board of directors shall be nine (9) directors representing the Swim members and five (5) directors representing the Dive members.

Section 3.03 Selection and Term of Office. Directors of the Corporation shall be selected as follows:

(a) **Elected Directors.** Upon the adoption of these amended and restated Bylaws, fourteen (14) directors shall be elected as follows: at the first annual meeting of the membership after the adoption of these amended and restated Bylaws (2019), four (4) directors shall be elected, each to serve for a three (3) year term and until a successor has been elected and qualified. Of the four (4) directors elected at the 2019 annual meeting, three (3) shall be elected by vote of the Swim Members, and one (1) by the vote of the Dive Members. Thereafter, at each annual meeting beginning in 2020, five (5) directors shall be elected, each to serve for a three (3) year term and until a successor has been elected and qualified. Of the five (5) directors elected at each annual meeting, three (3) shall be elected by vote of the Swim Members, and two (2) by vote of the Dive Members.

(b) **Designated Directors.** Three (3) directors may be designated by the Board. Each such director, if any, shall hold office for up to three (3) years and until a successor has been elected and qualified.

Section 3.04 Interested Persons. Not more than forty-nine percent (49%) of the persons serving on the Board at any time may be interested persons. For purposes of this Section 3.04, an interested person is:

(a) Any person being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as a director; or

(b) Any brother, sister, ancestor, descendant, spouse, or in-law of any such person.

However, the provisions of this Section 3.04 shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 3.05 Vacancies. Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any director may resign effective upon giving

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written notice to the Chair of the Board, the President, the Secretary or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.

Except for vacancies created by removal of a director by the members, vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. The members may fill a vacancy not filled by the directors. Each director so selected shall hold office until the expiration of the term of the replaced director.

A vacancy on the Board shall be deemed to exist in case of the death, resignation or removal of any director or an increase in the authorized number of directors.

The Board may declare vacant the office of a director who (a) has been declared of unsound mind by a final order of court, (b) has been convicted of a felony, (c) has been found by a final order or judgment of any court to have breached any duty arising under Sections 5230 through 5239 of the California Nonprofit Public Benefit Corporation Law.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

Section 3.06 Place of Meeting. Meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation.

Section 3.07 Annual Meetings. The Board shall hold an annual meeting for the purpose of organization, selection of officers and the transaction of other business. Annual meetings of the Board shall be held on such dates and at such times as may be fixed by the Board .

Section 3.08 Regular Meetings. Regular meetings of the Board shall be held without call or notice on such dates and at such times as may be fixed by the Board.

Section 3.09 Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the Chair of the Board, the President, any Vice President, the Secretary or any two (2) directors.

Section 3.10 Notice. Annual and special meetings of the Board shall be held upon at least four (4) days' notice by first-class mail or forty-eight (48) hours' notice given personally or by telephone, email, telegraph, telex, facsimile or other similar means of communication.

Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of the Corporation or as may have been given to the Corporation by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 3.11 Quorum. A majority of the minimum authorized number of directors (as set forth in Section 3.02) constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 3.14. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number be required by law or by the Articles, except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 3.12 Participation in Meetings by Conference Telephone. Members of the Board may participate in a meeting through use of conference by telephone, video conferencing, online conferencing or similar communication technology, so long as all members participating in such meeting can hear one another.

Section 3.13 Waiver of Notice. Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 3.14 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 3.15 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing or via email to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board. For purposes of this Section 3.15 only, the phrase "all members of the Board" shall not include any "interested director" as defined in Section 5233 of the California Public Benefit Corporation Law.

Section 3.16 Rights of Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and

to inspect the physical properties of the Corporation of which such person is a director.

Section 3.17 Executive Committee. The Executive Committee shall consist of the President, Vice President, Treasurer, and any other director(s) as may be determined by the majority of the Board and except as its powers may be otherwise limited by the Board, shall have and may exercise the powers of the Board as may be reasonably necessary when emergency or crisis action is needed.

Appointments to the executive committee shall be by a majority vote of the directors then in office. A majority of all the members of the executive committee may determine its rules of procedure unless the Board shall otherwise provide. The Board shall have the power to change the members of the executive committee at any time, either with or without cause and to fill vacancies, provided that all appointments to the executive committee shall be by a majority vote of the directors then in office. The compensation, if any, of each member of the executive committee shall be as prescribed from time to time by the Board.

Any action which under the provisions of the Law may be taken at a meeting of the executive committee, may be taken without a meeting if authorized by a writing signed by all members of the executive committee who would be entitled to vote at a meeting for such purpose and filed with the Secretary of the Corporation.

Section 3.18 Standing or Special Committees. In the event that the Board determines that the management of the Corporation would be benefited by the establishment of one or more standing or special committees in addition to the executive committee, the Board may from time to time establish one or more such committees.

The establishment of a standing or special committee shall be effected by a resolution of the Board approved by the vote of the majority of the directors then in office, which specifically sets forth the powers and duties delegated to such committee. Each such committee shall consist of two (2) or more directors and shall be presided over by a director selected by the board.

The term "standing committee" or "special committee" shall mean any committee appointed by the Board which is authorized by specific delegation, without further Board action, to implement, with some degree of discretion, decisions of the Board pursuant to guidelines established by the Board. Notice of, and procedures for, meetings of standing or special committees shall be as prescribed by the chairman of each such standing or special committee, and meetings of standing or special committees may be called by the Board or the chairman of the standing or special committee.

The Board may appoint the following standing committees with the duties prescribed herein and a board contact person for each committee:

Dive Booster Committee.

Swim Booster Committee.

Finance and Budget. Reviews and recommends approval of annual operating and capital budgets prepared by Head Coach-Executive Director; advises Treasurer on investment

of surplus funds.

Fundraising. Works with Executive Director to prepare applications for grants, to solicit corporate sponsorships, and to conduct specific swim or dive fundraising activities, such as Swim-a-thon, meet program ad sales, Rose Parade program sales and orders, through the Booster Committees.

Meet Operations. Works with Executive Director to organize home meets, assign and supervise meet directors and help meet director recruit key workers from Booster Committee for computer, snack bar, concessions, hospitality, timing, and equipment set-up and knockdown.

Social. Plans, organizes and recruits help for Annual Meeting, awards banquets, team picnic, and send-off dinners.

Compensation. The President, with the concurrence of the Board, shall appoint a Compensation Committee consisting of three (3) directors plus the President. The Compensation Committee shall recommend to the Board the terms upon which the Executive Director, if any, shall be hired, shall conduct an annual review of the Executive Director's job performance, and shall recommend to the Board regarding salary adjustments, bonuses, disciplinary action, termination, and such other matters as the committee deems necessary. The Board may accept or reject the recommendations of the Compensation Committee, but shall not amend them.

Section 3.19 Limitation upon Committees of the Board. No committee of the Board, including any executive committee, shall have any of the authority of the Board with respect to:

- (a) The filling of vacancies on the Board or on any committee which has the authority of the Board;
- (b) The fixing of compensation of the directors for serving on the Board or on any committee which has the authority of the Board;
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) The appointment of other committees of the Board or the members thereof if such committee will have the authority of the Board;
- (f) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or
- (g) The approval of any "self-dealing transaction" (as that phrase is utilized in Section 5233 of the Law), except that when it is not reasonably practicable to obtain approval of the Board prior to entering into such a transaction, a

committee authorized by the Board may approve the transaction in a manner consistent with the standards set forth in Section 5233(d)(2) of the California Nonprofit Public Benefit Corporation Law subject to ratification by a majority of the directors then in office (without counting the vote of any interested director) at the next meeting of the Board.

Section 3.20 Advisory Commissions. The Chair of the Board, the Board, the executive Committee (if any) or the President may from time to time appoint such advisory commissions as deemed appropriate, consisting of directors or persons who are not directors, but such advisory commissions shall not be deemed committees of the Board and shall not exercise any powers of the Board. Notice of, and procedures for, meetings of advisory commissions shall be as prescribed by the chairman of each such advisory commission, and meetings of advisory commissions may be called by the Chair of the Board, the Board, the executive committee, the President or the chair of the advisory commission.

Section 3.21 Reimbursement of Expenses. Directors and members of committees may receive such reimbursement for reasonable expenses incurred on behalf of the Corporation, as may be determined by the Board.

ARTICLE IV. OFFICERS.

Section 4.01 Officers. The officers of the Corporation shall be a President, a Secretary and a Treasurer. The Corporation may also have, at the discretion of the Board, a Chair of the Board, one (1) or more Vice Presidents, one (1) or more Assistant Secretaries, one (1) or more Assistant Treasurers, and such other officers as may be elected or appointed in accordance with the provisions of Section 4.03. Any number of offices may be held by the same person except as provided in the Articles or in these Bylaws and except that neither the Secretary nor the Treasurer may serve concurrently as the President or Chair of the Board.

Section 4.02 Election. The officers of the Corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 4.03 or Section 4.05 shall be chosen annually by, and shall serve at the pleasure of, the Board, and shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be elected.

Section 4.03 Subordinate Officers. The Board may elect, and may empower the President to appoint, such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 4.04 Removal and Resignation. Any officer may be removed, either with or without cause, by a majority vote of the Board at any time or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment of the officer.

Any officer may resign at any time by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such

notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 4.06 Chair of the Board. The Chair of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned by the Board.

Section 4.07 President. Subject to such powers, if any, as may be given by the Board to the Chair of the Board, if there be such an officer, the President is the general manager and chief executive officer of the Corporation and has, subject to the control of the Board, general supervision, direction and control of the business and officers of the Corporation. In the absence of the Chair of the Board, or if there be none, the President shall preside at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a Corporation and such other powers and duties as may be prescribed by the Board. The office of President shall alternate between a Swim director and a Dive director. The office of the President shall be elected by the board annually and shall not be held for more than two (2) consecutive years.

Section 4.08 Vice Presidents. In the absence or disability of the President, the Vice Presidents, if any be appointed, in order of their rank as fixed by the Board or, if not ranked, the Vice President designated by the Board, shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board.

Section 4.09 Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the Corporation's Articles and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given, shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 4.10 Treasurer. The Treasurer is the chief financial officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation. The books of account shall at all times be open to inspection by any director.

The Treasurer shall deposit all moneys and other valuables in the name and to the

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credit of the Corporation with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the President and the directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board.

ARTICLE V. OTHER PROVISIONS.

Section 5.01 Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Corporation and any other person, when signed by (1) the Chair of the Board, the President or any Vice President and (2) the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of the Corporation shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 5.02 Representation of Shares of Other Corporations. The President or any other officer or officers authorized by the Board or the President are each authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other Corporation or Corporations standing in the name of the Corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 5.03 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 5.04 Amendments. These Bylaws may be amended or repealed by the approval of the Board.

Section 5.05 Maintenance of Certain Records . The accounting books, records and minutes of proceedings of the Board and the executive committee of the Board shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal business office of the Corporation. The minutes shall be kept in written or typed form, and the accounting 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.

Section 5.06 Annual Report. The Board shall cause an annual report to be furnished to the directors not later than one hundred twenty (120) days after the close of the Corporation's fiscal year. The annual report shall be accompanied by any report thereon of independent accountants or, if there is no such accountants' report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation. The annual report shall contain in appropriate detail

the following:

- (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 the trust funds of the Corporation as of the end of the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year; and
- (e) Any information required by Section 5.07 of these Bylaws.

Section 5.07 Annual Statement of Certain Transactions and Indemnifications.

(a) The Corporation shall furnish annually to its directors a statement of any covered transaction or indemnification described below, if such covered transaction or indemnification took place. Such annual statement shall be affixed to and sent with the annual report described in Section 5.06 of these Bylaws. A covered transaction under this Section 5.07 is a transaction in which the Corporation, its parent, or its subsidiary, was a party, and in which either of the following interested persons had a direct or indirect material financial interest (excluding a mere common directorship):

- (1) Any director or officer of the Corporation, or its parent or subsidiary.
- (2) Any holder of more than ten percent (10%) of the voting power of the Corporation, its parent or its subsidiary.

(b) The statement required by this Section 5.07 shall describe briefly:

(1) Any covered transaction (including compensation of officers and directors) during the previous fiscal year involving more than \$50,000, or which was one (1) of a number of covered transactions in which the same interested persons had a direct or indirect material financial interest and which transactions in the aggregate involve more than \$50,000.

(2) The names of the interested persons involved in such transactions, stating such person's relationship to the Corporation, the nature of such person's interest in the transaction, and, where practicable, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

(3) The amount and circumstances of any indemnifications or

advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the Corporation pursuant to Article VI of these Bylaws.

ARTICLE VI. INDEMNIFICATION.

Section 6.01 Definitions. For the purposes of this Article VI, "agent" means any person who is or was a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic Corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Sections 6.04 or 6.05.

Section 6.02 Indemnification in Actions by Third Parties. The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding, (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 6.03 Indemnification in Actions by or in the Right of the Corporation. The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for:- breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 6.03:

- (a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such

proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

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

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 6.04 Indemnification Against Expenses. To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 6.02 or 6.03 of this Article VI or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 6.05 Required Determinations. Except as provided in Section 6.04 any indemnification under this Article VI shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 6.02 or 6.03, by:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceedings; or

(b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

Section 6.06 Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VI.

Section 6.07 Other Indemnification. No provision made by the Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles, these Bylaws, a resolution of members or directors, an agreement or otherwise, shall be valid unless consistent with this Article VI. Nothing contained in this Article VI shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 6.08 Forms of Indemnification not Permitted. No indemnification or advance shall be made under this Article VI, except as provided in Sections 6.04 or 6.05(b), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles, these Bylaws, a resolution of members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the

expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

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

Section 6.09 Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article VI, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 6.10 Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article VI does not apply to any proceeding against any trustee, investment manager or other fiduciary of any employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 6.01 of this Article VI. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.