

AMENDED AND RESTATED BYLAWS OF LAGUNA BEACH SENIORS, INC

A California Nonprofit Public Benefit Corporation

Dated as of September 24, 2009

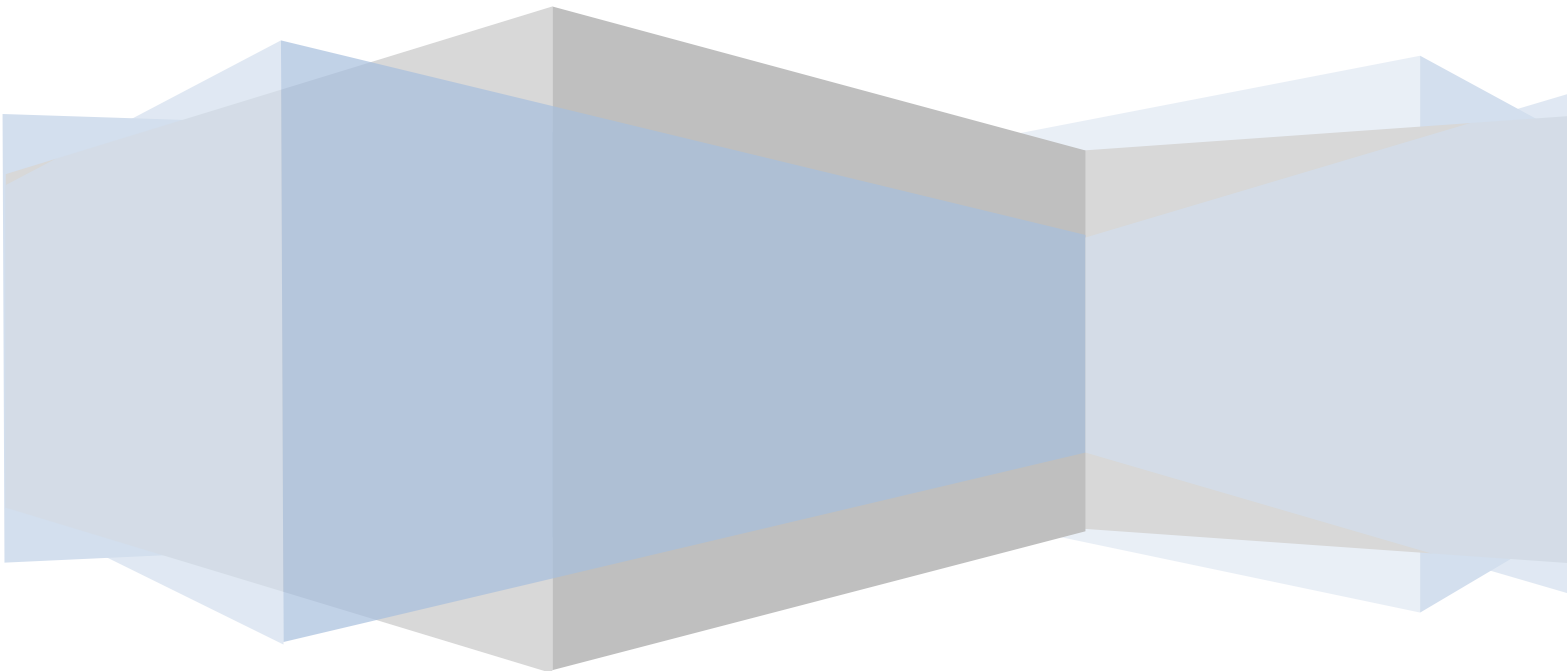


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**AMENDED AND RESTATED BYLAWS OF
LAGUNA BEACH SENIORS, INC.
A California Nonprofit Public Benefit Corporation**

**ARTICLE I
NAME AND CORPORATE OFFICES**

1.1 NAME. The name of this corporation is LAGUNA BEACH SENIORS, INC. (the "Corporation").

1.2 PRINCIPAL OFFICE. The Corporation's principal office shall be located at 380 Third Street, Laguna Beach, in the County of Orange, in the State of California. The Board of Directors (the "Board") is granted full power and authority to change said principal office from one location to another.

1.3 OTHER OFFICES. Branch or subordinate offices may be established at any time by the Board at any place or places.

1.4 PURPOSES. This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. This Corporation is organized under the California Nonprofit Public Benefit Corporation Law for public purposes, including (i) assisting in meeting the needs of the seniors of the City of Laguna Beach and surrounding areas; (ii) enlisting the support and involvement of the community with the concerns of the aging; (iii) developing senior citizen programs and a senior citizens' community center; and (iv) facilitating cooperation between persons and organizations interested in the affairs of senior citizens. No substantial part of the activities of this Corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation. This Corporation shall not participate or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.

1.5 DEDICATION OF ASSETS. This Corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code Section 501(c)(3).

**ARTICLE II
MEMBERSHIP**

2.1 CLASSES OF MEMBERSHIP. This Corporation shall have two (2) classes of members, designated as general and lifetime, and all members shall have equal voting and other rights. Members

may be separated into more classes as the Board shall from time to time designate. No person, as defined in Section 5065 of the California Nonprofit Public Benefit Corporation Law, may hold more than one membership interest in the Corporation.

2.2 ELIGIBILITY FOR MEMBERSHIP. A majority of all members shall be residents of the City of Laguna Beach. Any person over the age of 18 years is eligible to be a member of the Corporation; however a majority of all members shall be fifty (50) years of age or older.

2.3 ADMISSION TO MEMBERSHIP. Any person eligible for membership under Section 2.2 of these Bylaws will be admitted to membership only on the approval of the Board or upon submittal of an application in the form and manner prescribed by the Board.

2.4 OTHER PERSONS ASSOCIATED WITH THE CORPORATION. Nothing in this Article II shall be construed as limiting the right of the Corporation to refer to other persons or entities associated with it as "members," even though such persons or entities are not voting members, but no such reference shall constitute anyone as a member within the meaning of Section 5056 of California Nonprofit Public Benefit Corporation Law unless that person or entity shall have qualified for membership pursuant to this Article II.

2.5 RIGHTS OF MEMBERSHIP. Members 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 Corporation's assets, on any merger and its principal terms and any amendment of those terms, and on the voluntary dissolution of the Corporation in accordance with the provisions of the California Nonprofit Public Benefit Corporation Law, Section 6610.

2.6 MEMBER DUES, FEES AND ASSESSMENTS. 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.

2.7 SUSPENSION AND TERMINATION OF MEMBERSHIP. A member may be suspended or terminated based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed to observe the Corporation's rules of conduct, or has engaged in conduct prejudicial to the Corporation's purposes and interests. A person whose membership is suspended shall not be a member during the period of suspension. In addition to the causes stated above, a membership shall be terminated by the resignation of the member or for failure to pay dues, fees or assessments as set by the Board, within forty-five (45) days after they are due and payable.

2.8 PROCEDURES FOR SUSPENSION OR TERMINATION OF MEMBERSHIP. If grounds appear to exist for terminating or suspending a member, other than for nonpayment of dues, the Board shall give the member fifteen (15) days prior notice of the suspension or termination and the reasons therefor, by first-class or registered mail sent to the last address of the member shown on the Corporation's records, or by any other method reasonably calculated to provide actual notice. The member shall be given an opportunity to be heard, orally or in writing, not less than five (5) days before the effective date of the

suspension or termination by the Board, or by a committee or person authorized by the Board to determine whether the suspension or termination should occur. The decision of the Board, committee or authorized person shall be final. Any action challenging a suspension or termination of membership, including a claim alleging defective notice, must be commenced within one year after the suspension or termination.

2.9 MEETINGS OF THE MEMBERS.

(a) Location. Meetings of the members will be held at the principal office of the Corporation or at other location as may be designated by the Board.

(b) Annual Meeting. The Board must call an annual meeting of the membership at a date, time and place as the Board designates. At the annual meeting, directors shall be elected and other proper business may be transacted.

(c) Special Meetings. Special meetings may be called for any lawful purpose by the Board of Directors, the President of the Board or 5% or more of the members of the Corporation. A special meeting called by the members shall be submitted in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by electronic communication to the President, Vice-President or Secretary of the Corporation.

(d) Eligibility to Vote. Subject to the California Nonprofit Public Benefit Corporation Law, members in good standing on the record date shall be entitled to vote at any meeting of members. Each member in good standing shall be entitled to cast one vote on each matter submitted to a vote of the members.

(e) Date of Record. The Board may fix, in advance, a date as the record date for the purpose of determining the members entitled to receive notice of any meeting, to vote at a meeting of members or to exercise any rights in any lawful action. Such record date shall not be more than 60 days before the date of the meeting. If no record date is fixed, members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting of members.

(f) Notification Procedures.

(1) Time of Notice. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to each member entitled to vote at that meeting not less than ten (10) nor more than ninety (90) days before the date of the meeting. If the notice is mailed but not sent by first class, registered or certified mail, the notice shall be mailed not less than twenty (20) days before the meeting.

(2) Manner of Giving Notice. Notice of a members' meeting or any report required to be given to the members by these Bylaws, shall be given personally or by mail or electronic communication, to the member at the address appearing on the books of the Corporation or given by the member for the purpose of notice. If no address appears or

was given by the member, notice will be given at the principal office of the Corporation or by publication in any newspaper of general circulation in the county in which the principal office of the Corporation is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication. For this purpose, notification of regular or special meetings may be included in the Corporation's newsletter.

(3) Contents of Notice. Notice of a membership meeting shall state the place, date and time of the 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 a regular meeting, those matters which the Board, at the time notice is given, intends to present for action by the members, or (3) in the case of a meeting at which directors are to be elected, the names of all those who are nominees at the time notice is given. Subject to any provision to the contrary contained in these Bylaws, however, any proper matter may be presented at a regular meeting for such action.

(4) Notice of Special Meetings Called by Members. The officer receiving the request for a special meeting called by the members as referenced in Section 2.9C of these Bylaws shall promptly cause notice to be given to the members entitled to vote that a meeting will be held, stating the date, time and location of the meeting, the business proposed to be transacted and that no other business may be transacted. The date for such meeting shall be fixed by the Board and shall not be less than thirty-five (35) days nor more than ninety (90) days after receipt of the written request by Corporation. If the notice is not given within twenty (20) days after the receipt of the request, persons calling the meeting may give the notice themselves.

(g) Quorum for Membership Meetings. Twenty (20) voting members in good standing present at any membership meeting shall constitute a quorum for the transaction of business. If the attendance at such meeting is less than one third of the voting power of the corporation, the members may vote only on matters as to which notice of their general nature was given under Section 2.9(f)(3) of these Bylaws. Business may continue to be transacted at duly held meetings, even if enough members have withdrawn to leave less than a quorum, if such actions are approved by at least eleven (11) members, which number constitutes a majority of the required quorum for the transaction of business.

(h) 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. Voting by proxy shall not be allowed. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting shall be deemed the act of the members unless the vote of a greater number is required by the California Nonprofit Public Benefit Corporation law, these Bylaws or by the Articles of Incorporation.

ARTICLE III
DIRECTORS

3.1 **POWERS.** Subject to the limitations of the Articles and these Bylaws, the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors. The Board may delegate the management of the activities of the Corporation to any person or persons, or committees however composed, provided that the ultimate authority for activities and affairs remains with the Board. When acting on behalf of the Corporation, each director owes a fiduciary duty to the Corporation and its members, which duties include, without limitation, the duty of care, the duty of inquiry, the duty of loyalty and the duty to comply with investment standards. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated by in these Bylaws:

(a) To appoint and remove, at the pleasure of the Board, all corporate officers, agents and employees; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation and these Bylaws; fix their compensation; and require from them security for faithful service.

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

(c) To borrow money and incur indebtedness for the purposes of Corporation, and cause to be executed and delivered therefore, in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges hypothecations, and other evidences of debt and securities therefore.

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

(e) To vote on the disposition of all or substantially all of the Corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation subject to the conditions and requirements of the California Nonprofit Public Benefit Corporation Law and the rights of members given under Section 2.5 of these Bylaws.

3.2 **NUMBER OF DIRECTORS AND TERM OF OFFICE.** The authorized number of directors shall be an odd number of not less than seven (7) or more than nineteen (19) unless changed by amendment to these Bylaws. The exact number of directors shall be fixed by a resolution of the Board. Each director shall serve a term of 3 years. Terms shall be staggered so that approximately one third (1/3) of the directors will be elected at each annual meeting. The process for assigning directors to terms shall be

determined by the Board and the Board Policy on the procedure may be amended by the Board. No person may serve as director more than two consecutive full terms, or six (6) years without a one-year absence from the Board. After a one-year absence, such director may be elected to serve additional consecutive terms. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified except upon the death, resignation or removal of such director.

3.3 QUALIFICATIONS OF DIRECTORS. A majority of the total number of directors in office must reside in the City of Laguna Beach. Each director must comply with the Board Commitment requirements as adopted and periodically updated by the Board and must pay the required dues, fees and assessments within the time periods specified.

3.4 EX-OFFICIO MEMBERS. The Board may designate members or request that certain nonmembers participate in the discussions of the Board in an advisory capacity without the right to vote ("Ex-Officio Members"). One member of the City Council of the City of Laguna Beach shall, at the Board's discretion, be an Ex-Officio Member.

3.5 RESTRICTION ON INTERESTED PERSONS AS DIRECTORS. No more than twenty (20%) 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 twelve (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 Section shall not affect the validity or enforceability of transactions entered into by the Corporation.

3.6 NOMINATION AND ELECTION OF DIRECTORS.

(a) Nominating Committee. The President shall appoint a committee to nominate qualified candidates for election to the Board at least ninety (90) days prior to the annual meeting when the election of directors will be held. The nominating committee shall consist of five (5) members, including one (1) member to be appointed by the President to initially organize the committee, two (2) to be appointed by the Board and two (2) to be elected by the membership. Committee members shall select the chair of the nominating committee. The President may not serve on the nominating committee. The nominating committee shall make its report at such time 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.

(b) Method of Nomination. Any person who meets the qualifications to be elected to the Board may be placed in nomination by the nominating committee, by any method authorized by the Board, by petition of two (2) percent of the voting power, or by any member present at the meeting to elect directors.

(c) Nominee's Right to Solicit Votes. The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees. No corporate funds may be expended to support a nominee without the Board's authorization.

3.7 VACANCIES, RESIGNATION AND REMOVAL OF DIRECTORS.

(a) Vacancies. A vacancy or vacancies in the Board shall be deemed to exist in the case of the death, resignation or removal of any director, or if the authorized member of directors is increased. Upon a final order or final judgment of any court, the Board may declare vacant the office of a director for whom a conservator has been appointed, who has been convicted of a felony or who has breached any duty arising under Article 3, Chapter 2 of the California Nonprofit Public Benefit Corporation Law. The Board, by a majority vote of the directors who meet all of the required qualifications to be a director, may declare vacant the office of any director who fails or ceases to meet any required qualifications as described in Section 3.3 of these Bylaws that were in effect at the beginning of that director's current term of office. 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.

(b) Resignation. Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any director may resign effective upon giving written notice to the President, Secretary, or 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.

(c) Removal. Any director who fails to attend three consecutive Board meetings shall be removed from the Board without the necessity of a resolution of the Board unless (i) the director requests a leave of absence or an excused absence and the absence is approved by the Board, or (ii) the director suffers from an illness or disability that prevents him or her from attending meetings and the Board waives the automatic removal procedure of this subsection. A director may not be removed without cause without the approval of the membership. The membership, under the provisions of Section 2.9C of these Bylaws, may call for a special election to vote for the removal of a director or directors.

(d) Filling Vacancies. 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 complying with Section 5211 of California Nonprofit Public Benefit Corporation Law, or (3) a sole remaining director. Under the provisions of Section 2.9C the membership may call a special meeting to elect a director at any time to fill any vacancy not filled by the Board.

3.8 MEETINGS OF THE BOARD OF DIRECTORS.

(a) Location of Board Meetings. Meetings of the Board of Directors shall be held at the principal office of the Corporation or at any place within or outside the State of California that has been designated from time to time by the Board. Members of the Board may participate in a meeting through the use of conference telephone, electronic video screen communication or electronic transmission as long as all members participating in the meeting are able to hear one another or communicate with all of the members concurrently.

(b) Regular Board Meetings. Regular meeting of the Board shall be held without call or notice on such dates and at such times as may be fixed by the Board.

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

(1) Time of Notice. For Special Meetings of the Board, advance notice must be given. If notice is delivered by first class mail, four day advance notice must be given. If notice is delivered personally or by telephone, telegraph, electronic or other similar means of communication, then forty-eight (48 hours) advance notice must be given.

(2) Manner of Giving Notice. Notice of a special meeting of the Board shall be addressed or delivered to each director at the address appearing on the books of the Corporation or given by the director for the purpose of notice, or, if such address is not readily ascertainable, at the place in which the meetings of the directors are regularly held. Such notice is deemed to have been given at the time a written notice is deposited in the United States mails or delivered to a common carrier for transmission, personally delivered to the recipient or transmitted by electronic means. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone, 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.

(d) 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, or a written consent to the holding the meeting, or an approval of its minutes of the meeting, or who attends the meeting without protesting the lack of notice to that director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

(e) Quorum For Board Meetings. A majority of the directors then in office and present at a meeting shall constitute a quorum for the transaction of business, providing that in no case may a quorum be less than one-fifth of the authorized number of directors. 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 is required by law, by the Articles of Incorporation, or these Bylaws. 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 or by such greater

number, if any, required by the Nonprofit Public Benefit Corporation Law, the Articles of Incorporation or these Bylaws. There shall be no voting by proxy.

(f) Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (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.

3.9 ACTION BY WRITTEN CONSENT WITHOUT MEETING. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all directors collectively or individually consent in writing to that action. Such consent may be provided by electronic means and shall have the same force and effect as a unanimous vote of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

3.10 COMMITTEES.

(a) Authority. The Board, by resolution adopted by a majority of directors then in office, provided that a quorum is present, has the sole authority to create committees of the Board and to appoint the members thereof to serve at the pleasure of the Board. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. Two or more directors shall serve on each committee. The Board may delegate to such committees any of the authority of the Board except that no committee may:

(1) Take any final action on any manner that, under the California Nonprofit Public Benefit Corporation Law also requires approval of the members (Section 5034) or approval of a majority of all members (Section 5033);

(2) Fill vacancies on the Board or on any committee of the Board;

(3) Fix compensation of directors for serving on the Board or any committee;

(4) Amend or repeal Bylaws or adopt new Bylaws;

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

(6) Approve any self-dealing transaction as are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law.

(b) Meetings and Actions of Committees. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted as long as such prescriptions are consistent with these Bylaws. In the absence of any such prescriptions, such

committee shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article III applicable to meetings and actions of the Board. The time for general meetings and the calling for special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and filed with the corporate records.

3.11 REIMBURSEMENT OF EXPENSES. Directors and members of committees of the Board may receive reimbursement of expenses as may be fixed or determined by the Board.

ARTICLE IV

OFFICERS

4.1 OFFICERS The officers of this Corporation shall be a President, a Secretary, and a Treasurer. The Corporation also may have, at the discretion of the Board, 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 elected or appointed in accordance with Section 4.2 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President or Chairman of the Board.

4.2 ELECTION OF OFFICERS. The officers of this Corporation, except those elected or appointed in accordance with the provisions of Section 4.4 or Section 4.5 of these Bylaws shall be chosen annually by the Board at its first meeting after the annual meeting. Thirty (30) days prior to the election, the nominating committee established in Section 3.6(a) of these Bylaws shall forward to each director a list of candidates being nominated for each office.

4.3 TERM OF OFFICE OF OFFICERS. Officers shall serve a term of one year at the pleasure of the Board. The term of office shall commence immediately upon election. Officers shall not serve more than three (3) consecutive terms in the same office. Officers shall hold their respective offices until their resignation, removal, or other disqualification from service or until their respective successors shall be elected.

4.4 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.

4.5 VACANCIES, RESIGNATION AND REMOVAL OF OFFICERS.

(a) 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 appointments to such office, provided that such vacancies may be filled as they occur and not on an annual basis

(b) Resignation. 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.

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

4.6 PRESIDENT. Subject to the powers, if any, as may be given by the Board, 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. The President shall preside at all Board meetings, membership meetings and, where required by resolution of the Board, committee meetings. The President may serve as a non-voting member on all committees unless otherwise prescribed by the Board or prohibited by these Bylaws. The President shall have such other powers and duties as the Board or these Bylaws may require.

4.7 VICE-PRESIDENTS. In the absence or disability of the President, the Vice-Presidents in order of their rank as fixed by the Board or, if not ranked, as designated by the Board, shall perform all the duties of 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.

4.8 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, 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. In addition, the Secretary shall:

(a) Cause the minutes of each prior meeting to be delivered to the directors one week prior to the next regular Board meeting;

(b) Keep or cause to be kept, at the principal office, a copy of the Articles of Incorporation and Bylaws, as amended to date;

(c) Keep or cause to be kept, at the principal office or place determined by resolution of the Board, a record of the Corporation's members, showing each member's name, address and class of membership;

(d) 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; and

(e) Keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require.

4.9 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. In addition, the Treasurer shall:

(a) 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 at all times be open to inspection by any director at all reasonable times.

(b) Deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board;

(c) 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;

(d) Arrange for an annual audit by an independent certified accountant and distribute the report to the Board. The Treasurer shall review monthly financial statements, recommend fiscal policy, and sign disbursements as needed; and

(e) Have other powers and perform other duties as may be prescribed by the Board.

4.10 EXECUTIVE DIRECTOR. The Executive director, if any, shall be a salaried employee of the Corporation and shall be appointed by, and be responsible to the Board. The Executive Director shall be the Chief Administrative Officer of the Corporation and be responsible for carrying on and supervising the day-to-day business activities of the Corporation; hiring, supervising and terminating the employed staff; supervising the programs of the Corporation; and carrying out the policies established by the Board. The Executive Director shall attend meetings of the Board, Executive Committee and other committees as requested by the Board. The Executive Director shall not be a member of the Board. Removal or disqualification of the Executive Director shall require a majority vote of the Board.

ARTICLE V **INDEMNIFICATION**

5.1 DEFINITIONS. For the purposes of this Article V, “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 5.4 or 5.5(b) of this Article V.

5.2 INDEMNIFICATION IN ACTIONS BY THIRD PARTIES . The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, 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 a 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.

5.3 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 5.3:

(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.

5.4 INDEMNIFICATION AGAINST EXPENSES. To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 5.2 or 5.3 of these Bylaws 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.

5.5 REQUIRED DETERMINATIONS. Except as provided in Section 5.4 any indemnification under this Article V 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 5.2 or 5.3 of these Bylaws, by:

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

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

5.7 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, Bylaws, a resolution of members or directors, an agreement, or otherwise, shall be valid unless consistent with this Article V. Nothing contained in this Article V shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

5.8 FORMS OF INDEMNIFICATION NOT PERMITTED. No indemnification or advance shall be made under this Article V, except as provided in Sections 5.4 or 5.5(b), in circumstances where it appears:

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

5.9 INSURANCE. The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article V, provided, however, that a 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.

ARTICLE VI

GENERAL MATTERS

6.1 RULES OF CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

6.2 ENDORSEMENT OF DOCUMENTS, CONTRACTS. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Corporation and any other person, when signed by the President, or any Vice-President and the Secretary, 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, director, 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.

6.3 GOVERNING DOCUMENTS. These Bylaws supersede and replace any Bylaws adopted by the Corporation prior to the date of the Secretary's Certificate of Adoption of Amended and Restated Bylaws attached hereto and incorporated herein, provided, however, that any Bylaw provision requiring member approval under the California Nonprofit Public Benefit Corporation Law or these Bylaws, shall not become effective until such time as ratified by the members of the Corporation as provided herein. Failure to ratify any such provision requiring member approval shall not invalidate any other provision of these Bylaws, the amendment of which does not require member approval.

6.4 AMENDMENT OF BYLAWS. Subject to the rights of members under Section 2.5 of these Bylaws and the limitations set forth below, the Board may adopt, amend, or repeal these Bylaws unless doing so would materially and adversely affect the rights of members as to voting. Without the approval of the members, the Board may not adopt, amend, or repeal any Bylaw that would extend the term of a director beyond that for which the director was elected, increase the quorum for members' meetings, or authorize cumulative voting. New Bylaws also may be adopted, or these Bylaws may be amended or repealed, by approval of the members.

6.5 BOOKS AND RECORDS; RIGHT OF INSPECTION. The Corporation shall keep its books and records, together with all of the documents and papers pertaining to the business of the Corporation, at the principal office of the Corporation or at such other place as the Board may order.

(a) Every director shall have the absolute right at any reasonable time to inspect and copy the Corporation's books, records, and documents of every kind and to inspect the physical properties of the Corporation.

(b) Unless the Corporation 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.

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

(2) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable payment, 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 (10) days after the demand is received or on the date specified in the demand as the date on which the list is to be compiled.

(3) The Corporation may, within ten (10) business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the proper purpose of the demand.

(4) 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 Corporation.

(5) On written demand on the Corporation, 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, 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. The right of inspection extends to the records of any subsidiary of the Corporation.

6.6 FISCAL YEAR. The fiscal year of the Corporation shall be a calendar year, unless otherwise provided for by the Board, and the books and records of the Corporation shall be kept on a calendar year basis and shall reflect all the transactions of the Corporation and be appropriate and adequate for the Corporation's business.

6.7 ANNUAL REPORT. The Board shall cause an annual report to be sent to the members and directors within one hundred twenty (120) days after the end of Corporation's fiscal year. Such report may be sent by mail or through the corporation newsletter or by electronic means. The annual 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) Revenue and receipts, both unrestricted and restricted to particular purposes;
- (d) Expenses and disbursements for both general and restricted purposes;
- (e) 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 books and records of the Corporation; and
- (f) A statement of any transaction or indemnification which involved more than \$50,000 in whole or in the aggregate in which the corporation was a party and in which any director or officer had a material financial interest.

6.8 PARLIAMENTARY PROCEDURE. The rules of parliamentary procedure provided in Robert's Rules of Order shall govern all matters of the Corporation not stipulated by or in conflict with these Bylaws. The Board shall appoint one director to act as the Parliamentarian to address all questions related thereto.

**SECRETARY'S CERTIFICATE OF
ADOPTION OF AMENDED AND RESTATED BYLAWS
OF
LAGUNA BEACH SENIORS, INC
A California Nonprofit Public Benefit Corporation**

I, the undersigned, do hereby certify:

1. That I am duly elected and acting Secretary of LAGUNA BEACH SENIORS, INC., a California nonprofit public benefit corporation.
2. That the foregoing Amended and Restated Bylaws of said corporation consisting of Eighteen (18) pages are the Bylaws of this Corporation as adopted by the membership of this Corporation on February 11, 2008 and the Board of Directors of this Corporation on September 24, 2009.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 2009.

Secretary

Laguna Beach Seniors, Inc.