

YUCAIPA EQUESTRIAN ARENA COMMITTEE, INC.

BY-LAWS

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Amendment Adopted 4-18-11

Bylaws for the regulation, except as otherwise provided by its
Articles of Incorporation, of
Yucaipa Equestrian Arena Committee, Inc.

ARTICLE 1

NAME, PURPOSE AND MEMBERSHIP

Section 1. NAME. The name and identification of the organization shall be "Yucaipa Equestrian Arena Committee, Inc." (herein, "Corporation").

Section 2. PURPOSE. There will be six (6) primary objectives of this organization: (1) Promote community awareness of equestrian events. (2) Maintain, upgrade and preserve the arena and the environment adjacent to the arena. (3) Help preserve Yucaipa's rural heritage by expanding usage of equestrian events and related activities. (4) Community involvement: The Corporation will generate public awareness and promote the total involvement of all members of the community with programs such as trail rides, gymkhanas, shows, barbecues and other equine associated activities. (5) Community service: Profits earned from various activities will be used to maintain the City owned arena in which the activities are being held. (6) Gymkhanas and shows: Develop skills in relation to horses.

Section 3. MEMBERSHIP. Membership shall consist of memberships represented by a single member consisting of those persons listed on the membership application. All people, regardless of race, color, creed, or religious affiliation, will be eligible to join this organization. Membership in this organization shall be unlimited, and shall be subject to the approval of the existing members. An Application for Membership shall be considered by the existing members at a regular meeting when the applicant has attended two meetings and one event

of the Yucaipa Equestrian Arena Committee. After a prospective member attends two meetings and one event within a one year period of time, the existing members may decline to accept the applicant as a member, or, if favorably received by a vote, by secret ballot, or four-fifths of the members present at the meeting, prospective members shall be invited to join by written invitation. No part of the net income or assets of this organization shall inure to the benefit of private persons.

ARTICLE II

OFFICERS

Section 1. OFFICERS. The officers of the Corporation shall be a President, a Secretary and a Chief Financial Officer. The Corporation may also have, at the discretion 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 the provisions of Section 3 of this Article.

Section 2. ELECTION. The officers of the Corporation, except such officers as may be elected or appointed in accordance with the provision of Section 3 or Section 5 of this Article, shall be chosen annually by the Board at each January meeting of the members, 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 3. SUBORDINATE OFFICERS. The Board may elect, and 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 the bylaws or as the Board may from time to time determine.

Section 4. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by the Board of Directors 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 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in a manner prescribed in these bylaws for the regular election or appointment to such office.

Section 6. PRESIDENT. 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 meetings of the members and 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.

Section 7. VICE PRESIDENT. In the absence or disability of the President, the Vice Presidents, in order of their rank as officers 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 8. SECRETARY. The Secretary shall keep, or cause to be kept, at the principal executive office or such other place as the Board may order, a book of minutes of all meetings of members, 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, and the names of those present at Board and Corporation meetings. The Secretary shall keep, or cause to be kept, a copy of the bylaws of the Corporation at the principle executive office or business office in accordance with Section 213 of the California General Corporation Law.

The Secretary shall keep, or cause to be kept, at the principal executive office or at the office of the Corporation, a record and maintained roster of active members, newsletters, activity lists, or other publication necessary as prescribed by the Board.

The Secretary shall give, or cause to be given, notice of all the meetings of the members and of the Board and of any committees thereof required by these bylaws or by law to be given, and shall have such other power and perform such other duties as prescribed by the Board.

Section 9. CHIEF FINANCIAL OFFICER. The Chief Financial Officer is the treasurer 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, and shall send or cause to be sent to the members of the Corporation such financial statements and reports as are by law or these bylaws required to be sent to them. The books of account shall at all times be open to inspection by any Director.

The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depOSitories as may be designated by the Board. The Chief Financial Officer shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President and Directors, whenever they request it, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be described by the Board.

ARTICLE III

PRINCIPAL ADDRESS AND MEETINGS

Section 1. PRINCIPAL ADDRESS. The principal address of the Corporation is hereby located at P. O. Box 802, Yucaipa, CA 92399. The Board of Directors is hereby granted full power and authority to change said principal address from one location to another. This Section may be amended to state the new location.

Section 2. PLACE OF MEETINGS. Meetings of members shall be held at any place within the state of California that may be designated either by the Board or by the written consent of all persons entitled to vote thereat, given either before or after the meeting and filed with the Secretary.

Section 3. GENERAL MEETINGS. The general meetings of members shall be held each month at a date and time prescribed by the Board. Published notice of the monthly meetings shall be given not less than fifteen (15) days nor more than thirty (30) days before the date of the meeting to each member entitled to vote thereat. At such meetings, Directors shall be elected, and any other proper business may be transacted.

Section 4. SPECIAL MEETINGS. Special meetings of the members may be called at any time by the Board, the President, or by a 75% vote of the membership.

Section 5. NOTICE OF SPECIAL MEETING. Published notice of a special meeting shall be given not less than five (5) days nor more than ten (10) days before the date of the meeting to each member entitled to vote thereat. Such notice shall state the place, date, and hour of the meeting and general nature of the business to be transacted.

Section 6. QUORUM. Fifty percent (50%) of the membership entitled to vote, present at any general meeting or any special meeting along with any proxy, shall constitute a quorum.

Section 7. VOTING. Any member, in good standing in the organization, shall have one vote. Voting shall in all cases be subject to the provisions of Chapter 7 of the California General Corporation Law. A member may vote in person or by proxy. A member must attend at least the two meetings immediately preceding the meeting at which he/she is casting a vote to be eligible to vote. Elections need not be by ballot, provided, however, that all elections for Directors must be by ballot upon demand made by a member at the meeting and before the voting begins. In the event that the members' vote is evenly split in any particular matter, the President shall decide the matter.

In any election of Directors, the candidates receiving the highest number of votes of the shares entitled to be voted for them up to the number of Directors to be elected by such votes are elected.

ARTICLE IV

DIRECTORS

Section 1. POWERS. Subject to limitations of the Articles of these bylaws, and of the California General Corporation law relating to action required to be approved by the members, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the directions 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 the other officers, prescribe the powers and duties for them as may not be inconsistent with law, or with the Articles of these bylaws.
- (b) To conduct, manage, and control the affairs and business of the Corporation and to make such rules and regulations therefore not inconsistent with law, or with the Article of these bylaws, as they may deem best.

Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS. The authorized number of directors shall be three (3) until changed by amendment to this Article or by a bylaw duly adopted by the members amending this Section 2.

Section 3. ELECTION AND TERM OF OFFICE. Directors shall be elected at each January general meeting of members, but if any such general meeting is not held or the Directors whose terms are expiring are not elected thereat, the Directors may be elected at any special meeting of members held for that purpose. Each director shall hold office from the date elected until the expiration of his/her initial term, end/or until a successor has been elected/designated.

Effective January 17, 2000, one director shall serve for a term of one (1) year, one director shall serve for a term of two (2) years, and one director shall service for period of three (3) years. With the except of the directors elected January 17, 2000, subsequent directors shall be elected for terms of three (3) years at the January general meeting of the members to fill the vacancies then occurring.

Section 4. VACANCIES. Any Director may resign effective upon giving written notice to any other Director. Vacancies in the Board may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office for the unexpired portion of the term of the vacancy or until a successor has been elected.

The members may elect a Director or Directors at anytime to fill any vacancy or vacancies not filled by the Directors. Any such election by written consent requires the consent of a majority of the outstanding members entitled to vote.

Section 5. QUORUM. Two (2) of the Directors then in office shall constitute a quorum for the transaction of business. Every act or decision by a majority of the Directors present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Directors. 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 that meeting.

Section 6. MINUTES. Copies of minutes of all actions taken by the Board pursuant to any general or special meeting shall be provided by the Secretary to all the then current directors and members of the Corporation. Copies of said minutes shall be provided within thirty (30) days of the date of the said action by the Board and shall be considered to be delivered when provided at the following monthly meeting.

ARTICLE V

INDEMNIFICATION

Section 1. DEFINITIONS. For the purposes of this Article, "agent" includes 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 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" includes any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or Section 5 (c).

Section 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) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgment, 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 interest of the Corporation and, in the case of a criminal proceeding, had not reasonable cause to believe the conduct of such person was unlawful. The termination of any of such 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 interest of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.

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 threatened, pending, or completed action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation 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 ordinary prudent person in a like position would use under similar circumstance. No indemnification shall be made under this Section 3:

- (a) In respect to 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 action was brought shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnify 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 that is settled or otherwise disposed of without court approval.

Section 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 2 or 3 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 5. REQUIRED DETERMINATIONS. Except as provided in Section 4, any indemnification under this Article 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 Section 2 or 3 by:

- (a) A majority of a quorum consisting of Directors who are not parties to such proceeding;
- (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. ADVANCE OF EXPENSE. Expense 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 the Article.

Section 7. OTHER INDEMNIFICATION. No provision made by the Corporation to indemnify it or its subsidiaries' directors or officers for the defense of any proceeding, whether contained in the Articles, bylaws, a resolution of members or Directors, and agreement, or otherwise, shall be valid unless consistent with this article. Nothing contained in the Article shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 8. FORMS OF INDEMNIFICATION NOT PERMITTED. No indemnification or advance shall be made under this article, except as provided in Section 4 or Section 5 (c) in any circumstance it appears.

- (a) That it would be inconsistent with a provision of the Article, bylaws, a resolution of the members or any 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 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.

ARTICLE VI

AMENDMENTS

These bylaws may be amended or repealed either by approval of the Board or by a 75% majority of the voting members.