

ARTICLES OF INCORPORATION
OF
FRESNO INDUSTRIAL CLAIMS ASSOCIATION

1. NAME. The name of this corporation is FRESNO INDUSTRIAL CLAIMS ASSOCIATION.
2. PURPOSE. This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law. The specific purpose of this corporation is to promote the general welfare of its members by developing rapport among those engaged in handling workers' compensation claims; to promote cooperation by mutual exchange of experiences and discussion; to educate its members; and to benefit the employers and employees of the Central Valley.
3. INITIAL AGENT FOR SERVICE OF PROCESS. The name and address in the state or California of this corporation's initial Agent for service of process are: MEGAN LUCCHESI, whose address is 4974 N. Fresno St., suite S31, Fresno, CA 93726.
4. LIMITATIONS. Notwithstanding any of the above statement, of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this corporation.

Dated: _____

Megan K. Lucchesi

I hereby declare that I am the person who executed this foregoing Articles of Incorporation, which execution is at my act and deed.

Dated: _____

Megan K. Lucchesi

PROPOSED BY-LAWS FOR THE REGULATION, EXCEPT AS OTHERWISE PROVIDED BY STATUTE AND BY ITS ARTICLES OF INCORPORATION, OF FRESNO INDUSTRIAL CLAIMS ASSOCIATION

ARTICLE I
GENERAL MATTERS

- Section 1 NAME. The name of the corporation is FRESNO INDUSTRIAL CLAIMS ASSOCIATION (“Corporation”). The principal office of the corporation shall be located at 4974 N. Fresno St., Suite 531, Fresno County, California, or at such other place as may from time to time be designated by the Board of Directors or President as business matter requires.
- Section 2 DEFINITIONS. The following definitions shall be applicable to these Bylaws:
- (a) “Articles of Incorporation” means the Articles of Incorporation of the corporation and amendments thereto.
 - (b) “Board” or “Board of Directors” shall mean the Board of Directors of the corporation as the same may, from time to time, be constituted.
 - (c) “By-laws” means these Bylaws, including any amendments or additions hereto.
 - (d) “Member” means every person or entity who holds a membership in the corporation.
 - (e) The term “person” means and includes a natural person, corporation, partnership, association, firm or other entity, as the case may be and the context may require.
- Section 3. BYLAWS APPLICABILITY. The provisions of these Bylaws are applicable to the corporation and its non-profit purposes.

Article II
THE MEMBERS

- Section 1 CLASSIFICATION AND VOTING. The corporation shall have two (2) classes of Members: Company, Regular and Honorary. Except as provided in Section 1 of ARTICLE IV of these Bylaws authorizing cumulative voting at the election of the Board pursuant to section 5616 of the California corporations Code, Company Members will be entitled to one (1) vote each. The voting and other rights, interests, and privileges of each Regular Member shall be equal. Other Members will have no voting rights and will not be eligible to hold any office in the corporation. No Member shall have any interest or property right in the assets of the corporation and no Member shall hold more than one membership in the corporation.
- Section 2 ELIGIBILITY FOR MEMBERSHIP

- (a) Company Members shall be among the following:
 - (1) Insurance companies engaged in the handling of workers' compensation claims.
 - (2) Independent adjustment and investigation firms handling workers' compensation claims.
 - (3) Defense or Applicant attorney firms who devote all, or a majority, of their time to workers' compensation claims;
 - (4) Self-insured companies and political subdivisions responsible for the handling of workers' compensation claims.
 - (5) Physicians, as defined by the Labor Code, who are regularly involved in the handling of workers' compensation claims.
 - (6) Vendors engaged in the handling of workers' compensation claims.
- (b) Regular Members shall be employees of Company Members
- (c) Honorary Members shall be among the following:
 - (1) Judges
 - (2) Information and Assistance officers of the Central Valley offices of the Workers' Compensation Appeals Board.
 - (3) DEU raters and officers of the Central Valley offices of the Workers' Compensation Appeals Board.

Section 3 **ADMISSION TO MEMBERSHIP.** Any person qualified for membership under Section 2 of this ARTICLE II of these Bylaws shall be admitted to membership only on unanimous approval of the Board of Directors, who shall review and admit a member pursuant to an application submitted by such person, in such form and in such manner as shall be prescribed by the Board of Directors, and upon payment of the application fee, as specified in these Bylaws or as changed by the Board of Directors.

Section 4. **APPLICATION FEE AND ANNUAL DUES**

- (a) The Application Fee for regular membership in the Corporation shall be such amount as shall be determined by resolution of the Board of Directors. Annual dues shall be payable thereafter at such time or times as may be fixed by the Board of Directors. A Member, on learning of the amount of dues determined by the Board of Directors and the time or times of payment fixed by the Board of Directors, may avoid liability for the dues by promptly resigning from membership, except where the Member is by contract or otherwise, liable for the dues.
- (b) The dues of any newly accepted Member which are paid within ninety (90) days of the end of the corporate fiscal year shall be considered paid for the next succeeding calendar year.

Section 5 **NUMBER OF MEMBERS.** There shall be no limit on the number of Members the corporation may admit.

Section 6 TRANSFERABILITY OF MEMBERSHIP. Neither the Membership in the Corporation nor any rights in the Membership may be transferred or assigned for value or otherwise.

Section 7 MEMBERSHIP BOOK. The corporation shall keep in written form a membership book containing the name, address, and class of each Company Member. The book shall also contain the fact of termination and the date on which such Membership ceased. Such book shall be kept at the principal office of the corporation and shall be subject to the rights of inspection required by law and as set forth in these Bylaws.

Section 8 INSPECTION RIGHTS OF MEMBERS.

(a) Subject to the corporation's right to set aside a demand for inspection pursuant to Section 6331 of the California Corporations Code and the power of the court to limit inspection rights pursuant to Section 6332 of the California Corporations Code, and unless the corporation provides a reasonable alternative as permitted by Section 8(c) of this ARTICLE II, a Member satisfying the qualifications set forth hereinafter may do either or both of the following:

(1) Inspect and copy the records of all the Company Members' names, addresses and voting rights, at reasonable times, on five (5) business days' prior written demand on the corporation, which demand shall 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 charge, a list of the names, addresses, and voting rights of those Company Members entitled to vote for the election of the Board, as of the most recent record date for which it has been compiled or as of the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

(b) The rights of inspection set forth in section 8(a) hereinabove may be exercised by the following:

(1) Any Member, for a purpose reasonably related to such person's interest as a Member; and,

(2) The authorized number of Members for a purpose reasonably related to the Members' interest as Members.

(c) The corporation may, within ten (10) business days after receiving a demand pursuant to section 8(a) of this ARTICLE II, deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of the membership list. An alternative method, which reasonably and in a timely manner accomplishes the

proper purpose set forth in a demand made pursuant to these Bylaws shall be deemed reasonable; unless within a reasonable time after acceptance of the offer, the corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the Corporation does not meet the proper purpose of the demand made pursuant to these Bylaws.

Section 9 CERTIFICATES OF MEMBERSHIP. The Corporation shall not issue membership certificates; however, the corporation reserves the right to issue identity cards or similar devices to Members, which serve to identify Members qualifying to use the facilities or services of the Corporation.

Section 10 NON-LIABILITY OF MEMBERS. A Member of the Corporation shall not, solely because of such membership, be personally liable for the debts, obligations or liabilities of the corporation.

Section 11. TERMINATION OF MEMBERSHIP.

(a) The Membership and all rights of Membership shall automatically terminate on the occurrence of any of the following causes:

- (1) The voluntary resignation of a Member;
- (2) Where a Membership is issued for a period of time, the expiration of such period of time;
- (3) The death of a Member;
- (4) The dissolution of Company Members;
- (5) The nonpayment of dues, subject to the limitations set forth in Section 11(b) of this ARTICLE II;
- (6) The termination of all Memberships or any class of Members upon the amendment of these Bylaws permitting the termination pursuant to Section 4342 of the California Corporations Code.

(b) The Membership of any Member who fails to pay his or her dues when due and within thirty (30) days thereafter shall automatically terminate at the end of such thirty-day period, provided such Member was given both fifteen (15) days prior written notice of the termination stating the reasons therefore and a timely opportunity to be heard on the matter of the termination. The notice shall be given personally to such Member or sent by first-class mail to the last address of such Member as shown on the records of the corporation. The opportunity to be heard may, at the election of such Member, be oral or in writing and shall occur not less than five (5) days before the effective date of the termination. The hearing shall be conducted at the principal office of the Corporation by a committee composed of the then acting officers of the corporation. The president of the Corporation shall preside at the hearing and shall perform the following duties:

- (1) Read the charges against the subject Member;

- (2) Require that the charges be verified by the testimony of the person or persons making them;
- (3) Hear any other witnesses against the subject Member;
- (4) Allow the subject Member to cross-examine each witness following the testimony of that witness;
- (5) Allow the subject Member to make a statement in his or her own behalf;
- (6) Allow the subject Member to call witnesses in her or her own behalf; and,
- (7) Allow the members of the committee conducting the hearing to question the witnesses after they have been questioned by the subject Member.

The committee conducting the hearing shall conduct the hearing in good faith and in a fair and reasonable manner. The committee shall have the exclusive power and authority to decide that the proposed termination not take place.

- (c) All rights of a Member in the corporation and in its property shall cease on the termination of such Member's membership. Termination shall not relieve the Member from any obligation for charges incurred, services or benefits actually rendered, dues, or fees, or arising from contract or otherwise. The Corporation shall retain the right to enforce any such obligation or obtain damages for its breach.

ARTICLE III MEETING OF MEMBERS

- Section 1 MONTHLY MEETINGS. Meetings of the Members shall be held on the third Wednesday of the month, or on such date, time and place as the Board of Directors shall direct. Monthly meetings will not be held in July or August. Monthly meetings may be cancelled by majority vote of the Board of Directors if necessary. The Members may transact such business of the Corporation as may properly come before them and shall annually elect from among the Regular Members a Board of four (4) Officers.
- Section 2 SPECIAL MEETINGS. A special meeting of the Members shall be promptly scheduled by the Board of Directors in response to the vote for such by the Board of Directors itself or upon written request by at least five percent (5%) of the Membership of the Corporation.
- Section 3 NOTICE OF MEETINGS. It shall be the duty of the secretary to send a notice of each meeting of Members, the purpose thereof, time and place to be held, to the email address of each Member as it appears on the membership register of the corporation not less than ten (10) days prior to such meeting.
- Section 4 ADJOURNED MEETINGS. If any meeting Board cannot proceed with

business because a quorum has not attended, the Members who are present may not transact any business except to adjourn the meeting to the next regularly scheduled monthly meeting.

Section 5

QUORUM.

- (a) A quorum at any meeting of Company Members shall consist of ten percent (10%) of the voting power represented in person or by proxy. For purposes of this Bylaw, “voting power” means the power to vote for the election of Directors at the time any determination of voting power is made and does not include the right to vote on the happening of some condition or event which has not yet occurred.
- (b) The Company Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if such action taken, other than adjournment, is approved by at least a majority of Members required to constitute a quorum.
- (c) In the absence of a quorum, any meeting of Company Members may be adjourned from time to time by the vote of a majority of the votes represented in person or by proxy, but no other business may be transacted except as provided in Section 6(b) of this ARTICLE III.

Section 6

VOTING OF MEMBERSHIP.

- (a) Each Company Member is entitled to one vote on each matter submitted to a vote of the Members.
- (b) Single Memberships in which two or more persons have an indivisible interest shall be voted as set forth in Section 6(c) of this ARTICLE III relating to the voting of Memberships in two or more names.
- (c) Where a Company Membership stands of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, or otherwise, or if two or more persons (including proxy holders) have the same fiduciary relationship respecting the same Membership, unless the secretary of the corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: if only one Member votes, such act shall bind all Members; and if more than one Member vote, the act of the majority so voting shall bind all Members.
- (d) The record date for the purpose of determining Company Members entitled to notice of any meeting of Members is sixty (60) days before the date of the meeting of Members. The record date for the purpose of determining the Company Members entitled to vote at any meeting of the Members and for determining the Company Members entitled to exercise any rights in respect to any other lawful action is sixty (60)

days before the date of the meeting of Members or sixty (60) days prior to such other action.

- (e) Company Members entitled to vote shall have the right to vote either in person, by Regular Member or by a written proxy executed by such person or his or her duly authorized agent and filed with the secretary of the Corporation, except as otherwise expressly provided in the Articles of Incorporation of this corporation or in these Bylaws; provided, however, that a proxy shall not be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. The maximum term of any proxy shall be three (3) years from the date of its execution. Every proxy shall continue in full force and effect until revoked by the person executing it prior to the vote pursuant thereto.

Section 7 ACTION WITHOUT A MEETING BY WRITTEN BALLOT.

- (a) Any action, which may be taken by the vote of the Members at a meeting, except the election of Board Members, may be taken without a meeting if the Board distributes a written ballot to every Company Member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the secretary.
- (b) Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- (c) Ballots shall be delivered to the Company Members in the same manner as provided for delivery of notice of meetings in section 3 of this ARTICLE III. All such ballots shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The ballot must specify the time by which it must be received in order to be counted.
- (d) Unless otherwise provided in these Bylaws, any Company Member casting a ballot may revoke the ballot or substitute another by a writing received by the corporation prior to the time specified on the ballot for its receipt by the corporation, but may not do so thereafter. Such revocation shall be effective on its receipt by the secretary of the corporation.

Section 8 MAJORITY VOTE. Action by the Members shall require the majority vote of the Company Members constituting a quorum.

Section 9 CONDUCT OF MEETINGS.

- (a) The President of the corporation or, in the absence of the president, any other person chosen by a majority of the voting Company Members present in person or by proxy shall be chairman of and shall preside over the meetings of the Members.
- (b) The Robert's Rules of Order, as amended from time to time, shall govern the meetings of Members insofar as those rules are not inconsistent with or in conflict with these Bylaws, the Articles of Incorporation of this corporation or the law.

Section 10 INSPECTORS OF ELECTION.

- (a) In advance of any meeting of Members or any action by written ballot, the Board may appoint any persons, other than candidates for office, to act as inspectors of election. If inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairman of the meeting may, and on the request of any Member or Member's proxy must, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. If inspectors of election are not so appointed for any action by written ballot, the President of the corporation must appoint inspectors of election for that written ballot upon the request of any Member or Member's proxy. The number of inspectors shall be either one (1) or three (3). If appointed at a meeting on the request of one or more Members or proxies, the majority of Members represented in person or by proxy shall determine whether one (1) or three (3) inspectors are to be appointed.
- (b) The inspectors of election shall determine the number of voting memberships outstanding and the voting power of each, and, when applicable, the number represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies; receive votes, ballots or consents; hear and determine all challenges and questions in any way arising in connection with the right to vote; count and tabulate all votes or consents; determine when the polls shall close; determine the result; and do such acts as may be proper to conduct the election or vote with fairness to all Members.
- (c) The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.
- (d) On request of the chairman or any Member or Member's proxy, the inspectors of election shall make a report in writing concerning the performance of their duties and execute a certificate of any fact found by them. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein

Section 11 FISCAL YEAR. Unless modified by resolution of the Board, the fiscal year of the Society shall be the calendar year.

ARTICLE IV DIRECTORS

Section 1 ELECTION OF THE BOARD. In accordance with ARTICLE III, Section 1, the Members shall elect the Board of Directors; provided, however, that, after the first year of corporate existence, the immediate past President of the corporation shall automatically serve as a Board Officer for a period of one (1) year following his tenure as President and only four (3) additional Board Officers shall be elected by the Members. The remaining positions on the Board are to be filled by the Board Members. Board Officers may not be elected by written ballot. Each Company Member receives one (1) vote per position. Board Members shall be eligible for reelection without limitation on the number of terms they may serve, provided they continue to meet the qualifications required by Section 3 of this ARTICLE IV.

Section 2 FIRST ELECTION OF THE BOARD. The first election of the Board shall be at the first meeting of Members after incorporation and thereafter annually by the Members.

Section 3 BOARD NUMBER AND QUALIFICATIONS. The Board of Directors shall consist of no more than 12 (12) persons, including the immediate past President of the corporation. Any Member of the corporation in good standing is qualified to be elected as a member of the Board.

Section 4 TERM OF BOARD MEMBERS. The term of office for each Board Member shall be one (1) year, and each Board Member shall hold office until a successor is elected. In the event a Board Member is removed at a regular or special meeting of the Members, such Board Member shall hold office until his or her, removal and his or her successor is elected.

Section 5 NOMINATION. Any person qualified to be a Board Member under Section 3 of this ARTICLE IV of these Bylaws may be nominated by the method of nomination authorized by the Board of by any other method authorized by law.

Section 6 VACANCIES. Vacancies in the Board caused by any reason other than the removal of a Board Member by a vote of the Members shall be filled by vote of the majority of the remaining Board Members, and each person so elected shall be a Board Member until a successor is elected at the next annual or special meeting of the corporation.

Section 7 REMOVAL OF BOARD MEMBERS. At any regular or special meeting of the Members duly called, any one (1) or more of the Board Members may be removed with or without cause by a majority vote of the Company Members, in accordance with ARTICLE III, Section 9, and a successor may then and there be elected to fill the vacancy thus created. Any Board Member whose removal has been proposed by the Members of the Corporation shall be given an opportunity to be heard at the meeting. Unless the entire Board is removed from office by the vote of Company Members of the corporation, no individual Board Member shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect the Board Member if voted at an election at which the same total number of votes were cast and the entire number of Board members authorized at the time of the most recent election of the Board Member were then being elected.

Section 8 COMPENSATION. The Board Members shall serve without compensation, except that they shall be allowed and paid their actual and necessary expenses incurred in attending the meetings of the Board or relative to their activities as Board Members.

ARTICLE V BOARD MEETINGS

Section 1 ORGANIZATION MEETING. The first meeting of a newly elected Board shall be held within thirty (30) days of election at the corporate offices or as shall be fixed by the Board at the meeting at which such Board was elected, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

Section 2 REGULAR AND SPECIAL MEETINGS.
(a) Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board members, but at least one such meeting shall be held annually immediately following each annual meeting of the Members of the Corporation.
(b) Special meetings of the Board may be called by the President, any vice-president, the secretary or by any two (2) members of the Board other than the president. The notice of a special meeting shall state the time, place and purpose of the meeting.

Section 3 NOTICE OF MEETINGS. Notice of the time and place of regular Board meetings shall be communicated to all Board Members not less than four (4) days prior to the meeting, and notice of the time, place and purpose of special meetings shall be communicated to all Board Members not less than forty-eight (48) hours prior to the meeting; provided, however, that

notice of a regular or special meeting need not be given to any Board Member who signs a waiver of notice or a written consent to the holding of 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 such notice to such Board Member. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 4 The order of business of all Board meetings, where applicable, shall be as follows:

- (1) Roll Call;
- (2) Reading of Minutes of proceeding meeting;
- (3) Reports of officers;
- (4) Reports of committees;
- (5) Apportionment of inspectors of election;
- (6) Election of Board members, if applicable;
- (7) Unfinished business; and
- (8) New business

Section 5 OPEN MEETINGS. Regular and special meetings of the Board shall be open to all Members; provided, however, that Members, other than the Board Members, may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board; and provided further, however, that, upon the vote of a majority of a quorum of the Board, the Board may adjourn and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Corporation is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive sessions shall first be announced in open session.

Section 6 QUORUM. At all meetings of the Board, a majority of the authorized and duly elected Board Members shall constitute a quorum for the transaction of business, and the acts of the majority of the Board Members present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting to a time certain. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted, provided a quorum is present.

Section 6 ADJOURNMENT. A majority of Board Members present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time or place must be given prior to the time of the adjourned meeting to the Board Members who were not present at the

time of the adjournment.

Section 7 ACTION WITHOUT MEETINGS. The Board Members shall have the right to take any action in the absence of a meeting if approved by all Board Members. Any action so approved shall have the same effect as though taken at a meeting of the Board. Such action shall have the same force and effect as the unanimous vote of the Board Members.

Section 8 CONDUCT OF MEETINGS. The chairman of the Board or, in his or her absence, any Board Member selected by the Board Members present shall preside at meetings of the Board. The secretary of the Corporation or, in the secretary's absence, any person appointed by the presiding officer shall act as secretary of the Board. Members of the Board may participate in a meeting through the use of conference telephone, email or similar communications equipment, so long as all Board Members participating in such meeting can hear one another. Such participation shall constitute personal presence at the meeting.

ARTICLE VI OFFICERS

Section 1 NUMBER AND TITLES. The principal officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. 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 appointed by a majority of the Board. All officers shall serve without compensation.

Section 2 OFFICER'S QUALIFICATIONS. Any Board Member in good standing is qualified to serve as an officer. 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.

Section 3 ELECTION, REMOVAL, AND VACANCIES. The principal officers of the corporation shall be elected by the Company Members. Remaining subordinate officers are to be elected by the Board at the first meeting of the Board. Any officer may be removed, with or without cause, and a successor elected at any meeting of the Board by a majority of the Board Members constituting a quorum. Any officer may resign at any time on written notice to the corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any vacancy caused other than by removal by the Board shall be filled by appointment by the president of the Corporation until an election is held by the Board.

Section 4 SUBORDINATE OFFICERS. The Board may 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 directed by the Board.

Section 5 **PRESIDENT.** The president shall be the chief executive officer of the corporation. He shall preside at all meetings of the Members and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the corporation. All disbursements of funds, monies, and other assets of the corporation shall require the joint approval of the president and/or treasurer; provided, however, that the secretary may approve in the place of an unavailable president and/or treasurer.

Section 6 **VICE PRESIDENT.** The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act and shall also perform such other duties as shall from time to time be authorized by the Board.

Section 7 **SECRETARY.** The secretary shall keep the minutes of all meetings of the Board and of the Members; he shall have charge of such books and papers as the Board may direct and he shall, in general, perform all the duties incident to the office of secretary. The secretary shall also be responsible for maintaining the membership register of the corporation.

Section 8 **TREASURER.** The treasurer shall have responsibility for the Corporation's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the corporation. Such books shall be open to inspection by any Member of the corporation. He shall be responsible for the deposit of all monies and other valuable assets in the name of and to the credit of the Corporation in such depositories as may from time to time be designated by the Board and shall disburse the funds of the corporation as may be ordered by the Board.

Section 9 **EXECUTION OF DOCUMENTS.** No officer or other person shall have any power or authority to bind the Corporation or to pledge its credit or to render it liable for any debt or obligation, unless so authorized by the Board.

ARTICLE VII
CORPORATE RECORDS, REPORTS, AND SEAL

Section 1 **RECORDS.** The corporation shall keep adequate and correct records of

account and minutes of the proceedings of its Board of Directors. The corporation shall also keep a record of its Company Members pursuant to Section 7 of ARTICLE II of these Bylaws. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

Section 2 ANNUAL REPORT. The Board shall cause an annual report to be available to the Members not later than one hundred twenty (120) days after the close of the corporation's fiscal year. The report shall contain all the information required by Section 6321(a) of the California corporations Code and shall be accompanied by any report thereon of independent accountants or, if there is no such 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 be furnished to all Board Members.

Section 3 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. The Corporation shall annually make available to its Members a statement of any transaction or indemnification described in Section 6322(d) and (e) of the California Corporations Code, if such transaction or indemnification took place. Such annual statement shall be affixed to and sent with the annual report described in Section 2 of this ARTICLE VII.

Section 4 CORPORATE SEAL. The Board Members shall adopt a corporate seal, which shall be in a design consisting of two concentric circles with the name of the corporation and the words and figures: "FRESNO INDUSTRIAL CLAIMS ASSOCIATION". The secretary of the corporation shall have the custody of the seal and affix it in all appropriate cases to all corporate documents. Failure to affix the seal shall not, however, affect the validity of any instrument.

ARTICLE VIII AMENDMENTS

Except as restricted or eliminated pursuant to Section 5151 (e) of the California corporations Code, and except as provided in Sections 5151, 5220, 5224, 5512, 5613 and 5616 of the California Corporations Code, these Bylaws may be amended by the Board unless the action would materially and adversely affect the rights of Members as to voting or transfer. The Bylaws may be amended by approval of the Board of the corporation, meaning the affirmative vote of two-thirds (2/3) of the votes represented and voting at a duly held Board meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) or written ballot in conformity with sections 5513, 7513 or 9413 of the California corporations Code or by the affirmative vote or written ballot of such greater proportion, including all of the votes of the Board, provided, however, that such amendment may also require approval by the

