

**Patients Mutual Assistance Collective Corporation**

536 - 45<sup>TH</sup> St., Oakland, CA, 94609

510.597.1540 , 510.295.8857

Dear Ms. Killey,

We thank you for this opportunity to submit our application for a medical cannabis dispensary license. After an exhaustive search and extensive negotiations, we have located and secured three possible locations:

- 1) 1840 Embarcadero is a one-story office building located on the west side of the 880 freeway, just south of the 16<sup>th</sup> St. exit. It is remote from residential and business districts, with only one hotel, a marina, and a few office buildings as immediate neighbors. We are confident that this property meets all 1000 ft requirements, as well having an abundance of on-site parking (17 places). As an added bonus, it is owned by the proprietor of the ABC Security Company, which is also headquartered in the building. Disabled access and toilets are not installed at present, but a licensed architect has inspected the premises and has determined it is possible to do so.
- 2) 2800 Embarcadero is located approximately ½ mile south of the 1840 property. It is one unit in a newly constructed multi-unit shopping center. It is remote from any neighbors, and has over 100 parking spaces available. Disabled access is present, but a toilet will need to be constructed. This property is located 900 ft (approximately) from a residential zone, and is also on the periphery of the 1000 ft. limit from Union Point Park, which is a Port Authority park. However, its extreme lack of neighbors and abundance of parking may make it a site worth considering.
- 3) 415 4<sup>th</sup> St is the ground floor of a three-story building located just south of Broadway, in the wholesale food warehouse district. It already has disabled access and toilet, but may lie on the periphery of the 1000 ft. limit from another dispensary (C.A.R.E). It does not have any on-site parking, and street parking is limited. However, of all three properties, it will probably require the least build out.

PMACC has secured letters of intent from the owners of all three properties (enclosed), and is ready to develop whichever location is preferred by the City of Oakland. If necessary, we are prepared to tender the \$133 fee for each property, though we would rather avoid additional expense should it not be necessary.

The enclosed application reflects our views only on the 1840 property, which is the first one we located. We are preparing separate applications for each of the other properties, which we will submit at the appropriate time.

Since the initial round of the licensing process, we have recruited Ms. Josephine Domsic to serve as our general manager. Ms. Domsic has recent management experience at licensed medical dispensaries, including C.A.R.E—from whom she has received an excellent letter of reference.

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With the addition of Ms.Domsic, we are confident that PMACC is well prepared to serve the citizens of Oakland with a legitimate, professionally managed, problem free medical cannabis dispensary. Our team has deep supervisory experience in a wide range of business including the dispensary, healing, and retail fields. We have secured adequate financing, and are highly motivated to create and administer a facility that we intend to be a model for above-board dispensaries. We look forward to a long and cordial relationship with the City, and thank you for your efforts on behalf of medical marijuana patients.

CITY OF OAKLAND  
OFFICE OF THE CITY MANAGER  
ONE FRANK OGAWA PLAZA, 11<sup>th</sup> Floor  
PHONE: (510) 238-6914

APPLICATION FOR SPECIAL ACTIVITY PERMIT

Application is hereby made by Patients Mutual Assistance Collective Corp.  
Individual ( ); Partnership ( ); Corporation ☒

for a Cannabis Dispensary Permit

under the name of: Sanctuary on \_\_\_\_\_  
(business name) (dates of operation, if applicable)

at the following location: 1840 Embarcadero

Application is for: New Business ☒ Change of Ownership ( ) Change of Location ( )  
Renewal ( ); Other ( )

Additional Information: dave wedding dress 510.597.1540  
(address of Applicant) (telephone No.)

The premises are owned by: Ana Chretien and now used as offices (vacant)

The person in charge of this operation is \_\_\_\_\_ who resides at \_\_\_\_\_

\_\_\_\_\_, telephone No. \_\_\_\_\_, and with

\_\_\_\_\_ years of experience in this kind of operation. A previous permit at this location

(please check all that apply): \_\_\_\_\_ has never been revoked; \_\_\_\_\_ has been revoked;  
\_\_\_\_\_ is expiring.

For access to premises, call Becky Hicklin 510.463.4777  
(name) (telephone no.)

The names, residence and business addresses of applicant(s) including all members of the firm or partnership and all officers and directors of the corporation and of all persons interested in the permit, if granted, are as follows: (Please continue on additional sheet, if needed)

NAME	BIRTH DATE	RESIDENCE ADDRESS	BUSINESS ADDRESS
<u>dave wedding dress</u>	<u>10/26/94</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
<u>Stephen De Angelo</u>	<u>6/12/58</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

I declare under the penalty of perjury that the foregoing is true and correct.

Dated at 12/13/05 Oakland, California, this 13th of December, 2005.  
(day) (month) (year)

Signed: dave wedding dress

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SUPPLEMENTAL INFORMATION FOR APPLICATION FOR  
CITY OF OAKLAND MEDICAL MARIJUANA DISPENSARY PERMIT

1. Capacity of Proposed Cannabis Dispensary: up to 600 customers/day with current parking, up to 1200 per day with expanded parking

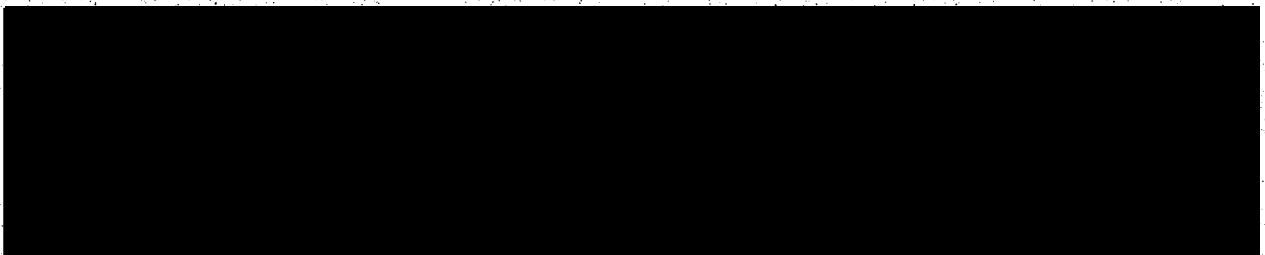
PMACC anticipates serving between 50 and 600 customers per day. Our goal is to minimize wait times and lines, serving clients within 20 minutes of their arrival. With a total leased space of 7,500 sq.ft, our building provides ample space to set up as many service counters will be needed, as well as administrative and processing areas. The main constraint on our ability to promptly and efficiently serve clients will be parking. 17 parking places are currently designated for our use. Each space will accommodate 3 customers per hour, for a total of 51 customers per hour, and approximately 600 per day. Should customer demand exceed these levels, we plan to contract with the Port of Oakland to lease additional parking spaces directly adjacent to the building, which would give us the ability to process several hundred additional customers per day.

2. Types of Medical Cannabis Available

PMACC will strive offer its clients the widest possible choice of medical cannabis products, while maintaining rigorous quality control standards appropriate for a medical product (see Appendix). Products offered will include smokable and edible cannabis, in both natural and concentrated forms, at various levels of potency and price. PMACC will offer a selection equal or greater to the two currently licensed dispensaries in Oakland.

PMACC pricing policy will seek to balance two interests: (a) providing our members the most effective medicine at the lowest possible price, and (b) preventing diversion to the illicit marketplace. As a not-for-profit collective, providing our members with reasonable prices is a central part of our mission. At the same time, PMACC recognizes that prices dramatically lower than the illicit market can encourage diversion. PMACC will strive to balance the twin obligations of discouraging diversion and serving our membership. Patients suffering economic stress will be provided with free and discounted medicine.

3. Capitalization



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## **4. History of Known Complaints**

As a new dispensary applicant, we have no history of complaints. However, two of our collective members have extensive management experience at existing dispensaries. Josephine Domsic, born ??, has four years of recent management experience at local cannabis dispensaries. She was database manager for Berkeley Patients Group 2001-2003, and general manager of CARE, in Oakland CA 2004-2005. Another collective member, James Blair, born [REDACTED], was co founder and general manager of the Berkeley Cannabis Buyer's Cooperative, located at 3124 Shattuck Ave. Berkeley CA, from 1998 to 2005. His address is 1474 University Ave., # 740, Berkeley, CA, 94702.

Both of these individuals compiled an impressive record regarding community complaints-- during the periods of their management, there were none. In both cases, the only complaints about their operations were internally generated ones from dissatisfied clients and/or disgruntled employees. None of these complaints ever involved the Police Department or municipal officials, and were resolved in the course of normal business routine.

PMACC will draw on the experience and management skills of our team, the inherent strengths of our site, and a rigorous training program to prevent complaints from occurring. Our facility is remote from residential or business districts, has very little pedestrian traffic, and is neighbored only by a few other self-contained office buildings. We share our building with the ABC Security Company, which is owned by Ana Chretien-- our landlord. ABC presents a visible deterrent to any potential troublemakers, with a steady traffic of clearly marked security vehicles and uniformed personnel. Our experienced management and excellent site will be complemented with a comprehensive training program for all employees, and an orientation session for all new clients. All these steps are designed to prevent complaints before they happen.

## **5. Total Number of Qualified Patients**

PMACC is a start-up operation. At present, formal membership is limited to the four persons listed on this application. We estimate enrollment of 500-1000 patients in the first year, rising to 2000 patients in the second year. Should these estimates be exceeded, PMACC suggests that the annual regulatory fee be adjusted upward on a pro-rata basis for the rest of the year for which the license is effective. PMACC would be willing to undertake the obligation of notifying the City if and when these estimated enrollment levels are exceeded.

### **A. Business Form**

PMACC is a not-for-profit collective composed entirely of legally qualified medical cannabis patients and caregivers. We are formally organized as a State of California Corporation. Our by-laws, which are on file with the Secretary of State, mandate and require us to operate as a not-for-profit. As such, PMACC is not permitted any retained earnings. According to our by-laws, at the end of every tax year, any earnings in excess

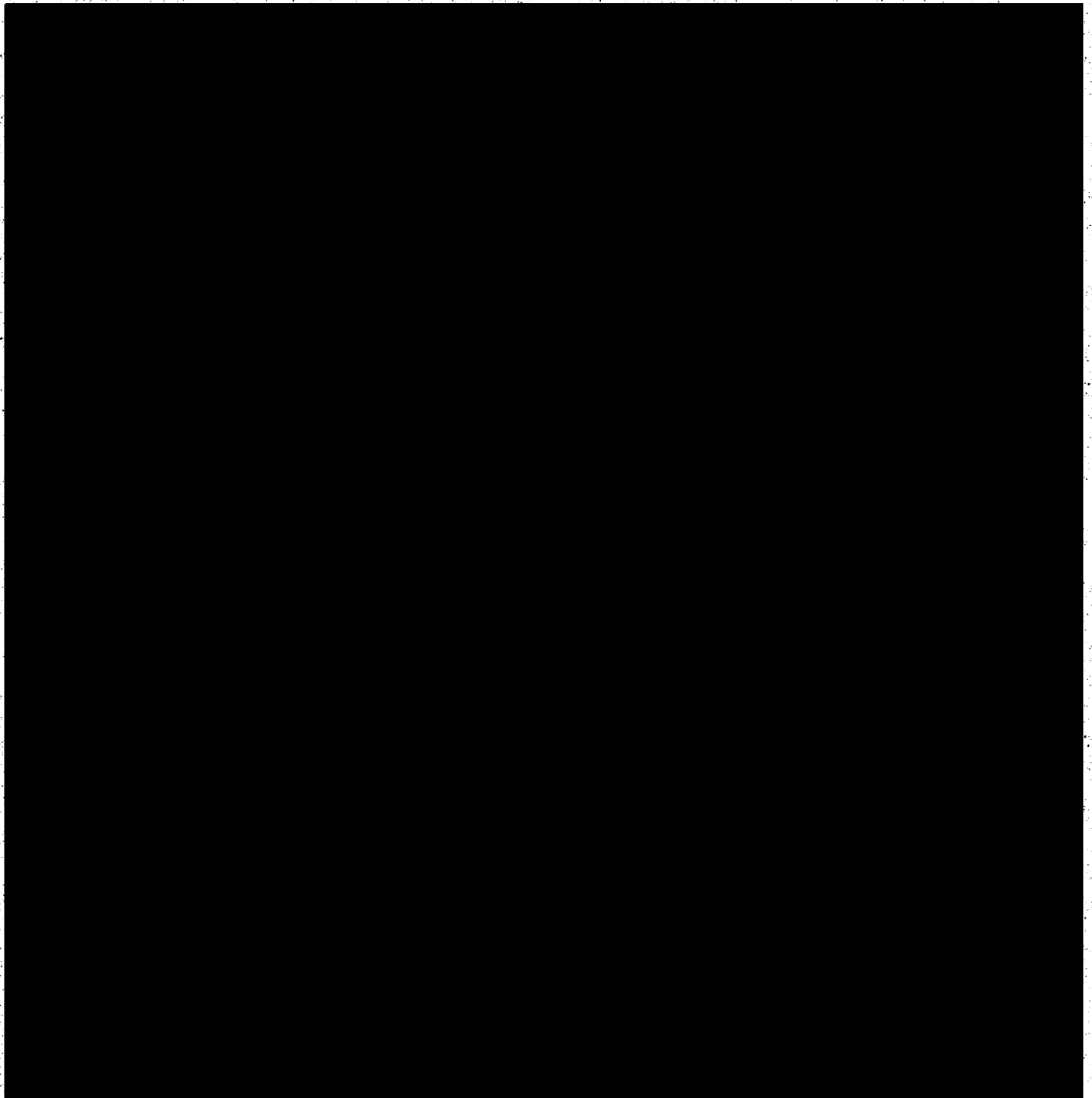
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of operating costs must be distributed to community service organizations. PMACC anticipates such distribution to reach tens of thousands of dollars annually, and will develop a grant program for the funding of community service programs. We look forward to playing a positive role in the community.

**B. Security**



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## **C. Training**

PMACC believes that a licensed medical marijuana dispensary occupies a unique position of public trust, and must do its utmost to be deserving of the trust it has received. Key to this approach is ensuring that all dispensary workers have an accurate and thorough understanding of medical marijuana laws and their application in the work place-- as well as more traditional customer service issues. Our training program will address the following:

- \*legal rights and responsibilities of licensed cannabis dispensaries
- \*legal rights and responsibilities of patients and caregivers
- \*acceptable identification and counterfeit detection
- \*warning signs of possible diversion to the illegal market
- \*conflict resolution and mediation
- \*good neighbor policy
- \*first aid

## **D. Experience**

The PMACC management team brings together a cumulative total of several decades business experience, including licensed medical cannabis dispensary management, manufacture and retail of industrial hemp products, and therapeutic massage.

Recent, local experience in managing licensed medical cannabis dispensaries is provided by Josephine Domsic and James Blair. As noted above, two of our collective members have an abundance of recent local experience in all aspects of dispensary management. Ms. Domsic, who most recently was general manager of CARE (see enclosed resume and letter of recommendation), will serve as our general manager, in charge of direct day-to-day management. Mr. Blair, who is severely disabled, will advise the rest of the management team, and provide us with access to his extensive network of contacts within the medical cannabis community.

Experience directing large, complex organizations is provided by Stephen DeAngelo, who for ten years was CEO of Ecolution Inc., an early pioneer in the industrial hemp business. Mr. DeAngelo was responsible for hiring and supervising 25 full time employees, securing investment capital, financial management, and ensuring compliance with governmental regulations. In addition, Mr. DeAngelo has deep roots and great familiarity with the medical cannabis community, being a founding member of Americans for Safe Access.

Experience in alternative health care and healing modalities is provided by Dave Wedding Dress. Mr. Wedding Dress is a licensed therapeutic masseuse, and has built a

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thriving practice in the Bay Area over the course of 15 years. His practice is recognized for a unique degree of personal care and attention. Mr. Wedding Dress adds experience in patient care, and has developed a wide range of contacts in the alternative health care field.

E. Motivation

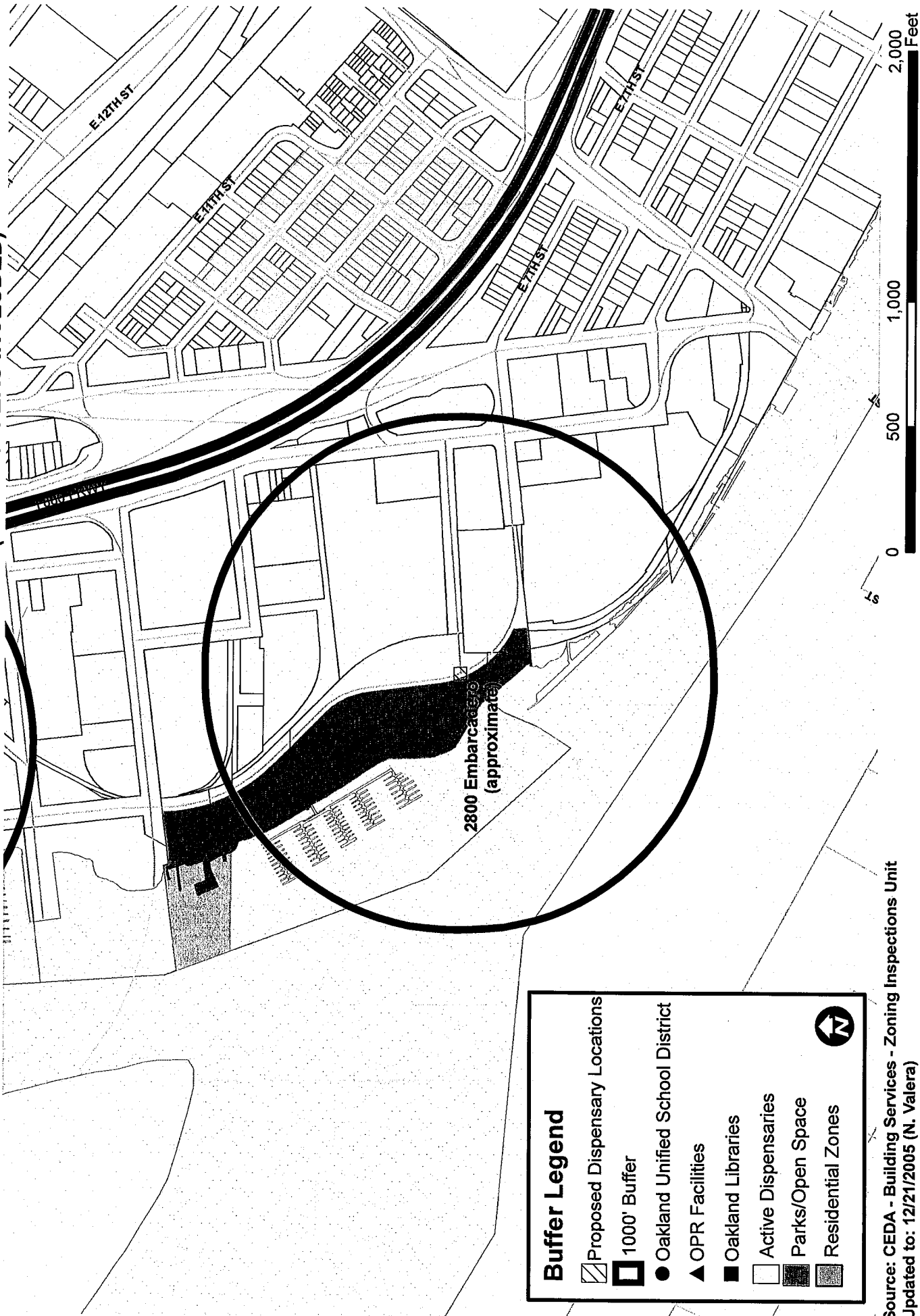
The PMACC team has been involved with the medical marijuana movement since its inception in the early 1990's. Over time, we have seen the movement win political success, and the consequent growth of medical cannabis industry from zero dispensaries to almost 200. Some of these new entrants to what has become a business do actually reflect the high ideals and integrity of the medical cannabis movement. Many others, unfortunately, have been attracted by the lure of quick profits, and have failed to adequately prevent diversion to the illegal market, or disruption of the neighboring community.

We have been shamed and embarrassed by television exposes of "dispensaries" that, with a wink and a nod, actually encourage illegal diversion. We fear that our years of hard work getting petitions signed, waging initiative campaigns, and lobbying will in the end be frustrated by the entrance of bad actors to the dispensary industry. We watch with alarm as community after community enacts bans or moratoriums against dispensaries, and we understand that if we stand by and do nothing, that we can expect more of the same.

It is for this reason that we are acting: to provide an example of a legitimate, above board, professionally managed dispensary. We aim to create a new paradigm: truly not-for-profit, dedicated to community service, sensitive and responsive to our neighbors, a facility that both the City of Oakland and the medical cannabis movement can be proud of!



# CURRENT DISPENSARY LOCATIONS WITH PROPOSED LOCATIONS (1000' BUFFERS INCLUDED)



## Buffer Legend

- Proposed Dispensary Locations
- 1000' Buffer
- Oakland Unified School District
- OPR Facilities
- Oakland Libraries
- Active Dispensaries
- Parks/Open Space
- Residential Zones



Source: CEDA - Building Services - Zoning Inspections Unit  
Updated to: 12/21/2005 (N. Valera)

ANA CHRETIEN  
1840 Embarcadero  
Oakland, CA 94606

November 30, 2005

Barb Killey, Assistant to the City Administrator  
Office of the City Administrator  
1 Frank Ogawa Plaza  
Oakland, CA 94612

Dear Ms. Killey:

This is to confirm that I am the owner of the improved real property located at 1840 Embarcadero, Oakland, California 94606 (the "Property") and agree to lease approximately 7,400 square feet therein (the "Premises") to Patients Mutual Assistance Collective Corporation (the "Company"), a California corporation, whose sole shareholders, directors and officers are Stephen DeAngelo and David Weddingdress, for operating a permitted medical marijuana dispensary which shall comply with all requirements of the City of Oakland. Upon notice from the City of Oakland that the Company shall receive a permit, I shall promptly cause the preparation and execution of the lease for the Premises between the Company and me.

Currently the Company and I have a draft of the lease for the Premises, which shall be changed to reflect the starting date and some other terms.

If you have any questions, please call me at 510-436-0666 or send a letter to me at the above address.

Sincerely,



Anna Chretien

DEAR BARB KILLEY,

December 13, 2005

I OWN A BUILDING AT 415 4<sup>TH</sup> STREET AND I REPRESENT THE OWNER OF 2800 EMBARCADERO BOTH IN OAKLAND AND I'VE BEEN APPROACHED BY TWO BIDDERS FOR THE CANNIBUS CLUB LICENSES. AND I WOULD BE WILLING TO LEASE EITHER BUILDING TO THE SUCCESSFUL BIDDER SUBJECT TO FINAL CITY , AND LANDLORD APPROVALS. IF YOU NEED MORE INFO PLEASE CALL ASAP

KEN SUTHERLAND

THE SUTHERLAND CO

COMMERCIAL REAL ESTATE

417 4TH STREET

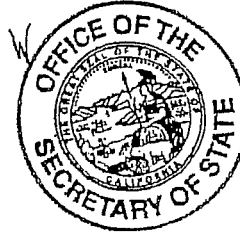
OAKLAND,CA 94607

TEL 510-893-0772 X307 FAX 510-893-0984 510-301-7949

KENSUTHERLAND@THESUTHERLANDCO.COM

# ARTICLES OF INCORPORATION

State of California  
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

SEP - 7 2005

A handwritten signature in cursive script, appearing to read "Bruce McPherson".

BRUCE McPHERSON  
Secretary of State

ARTICLES OF INCORPORATION  
OF  
PATIENTS MUTUAL ASSISTANCE COLLECTIVE CORPORATION

1. The name of this corporation is Patients Mutual Assistance Collective Corporation.

2. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California, other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

3. The name and address of this corporation's initial agent for service of process in the State of California is:

Peter S. Buchanan  
591 Redwood Highway, Suite 2245  
Mill Valley, CA 94141

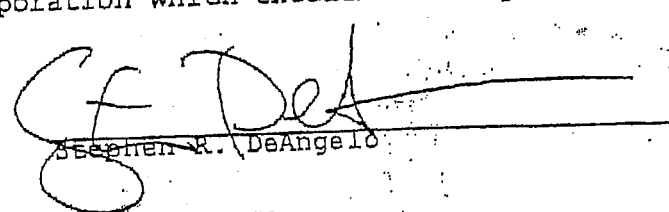
4. The corporation is authorized to issue one class of stock, to be designated "common." The number of common shares authorized is 500,000.

5. The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

Dated: August 28, 2005

  
\_\_\_\_\_  
Stephen R. DeAngelo, Incorporator

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

  
\_\_\_\_\_  
Stephen R. DeAngelo



**ENDORSED - FILED**  
In the office of the Secretary of State  
of the State of California

AUG 31 2005

BYLAWS  
OF  
PATIENTS MUTUAL ASSISTANCE COLLECTIVE CORPORATION

ARTICLE I

OFFICES

1.1 Principal Executive or Business Offices. The board of directors shall fix the location of the principal office of the corporation at any place within the State of California.

1.2 Other Offices. Other offices may be established at any time or place in the State of California by the board of directors.

ARTICLE II

MEETINGS OF SHAREHOLDERS

2.1 Place of Meetings. Meetings of shareholders shall be held at any place within the State of California designated by the board of directors. In the absence of designation by the board, shareholders' meetings shall be held at the corporation's principal office.

2.2 Annual Meeting. The annual meeting of shareholders shall be held on the first Friday in the month of July in each year at 6:00 p.m. If, however, this day falls on a legal holiday, then the meeting will be held at the same time and place on the next succeeding full business day. At this meeting, directors shall be elected and any other proper business within the powers of the shareholders may be transacted.

2.3 Special Meetings. Special meetings of the shareholders may be called at any time by the board of directors, the chair of the board, the president, or by one or more shareholders holding shares that in the aggregate are entitled to cast 10 percent or more of the votes at that meeting.

If a special meeting is called by anyone other than the board of directors, the person or persons calling the meeting shall make a request in writing delivered personally or sent by registered mail, telegram, facsimile transmission, electronic mail message, to the chair of the board, the president, any vice president or the secretary, specifying the time and date of the meeting (which is not less than 35 nor more than 60 days after receipt of the request), and the general nature of the business proposed to be transacted. Within 20 days after receipt, the officer receiving the request will cause notice to be given to the shareholders entitled to vote in accordance with bylaw provisions on notice, stating that a meeting will be held at the time requested by the person(s) calling the meeting, and stating the general nature of the

business proposed to be transacted. If notice is not given within 20 days of the receipt of the request, the person(s) requesting the meeting may give the notice. Nothing in this paragraph shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the board may be held.

2.4 Notice of Shareholders' Meetings. All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 2.5 not less than 10 days or more than 60 days before the date of the meeting. Shareholders entitled to notice will be determined in accordance with bylaw provisions in section 2.11. The notice shall state the place, date and hour of the meeting and (a) in the case of a special meeting, the general nature of the business to be transacted, or (b) in the case the annual meeting, those matters that the board of directors, at the time of giving the notice, intends to present for action by the shareholders. If directors are to be elected, the notice will include the names of all nominees whom the board intends, at the time of the notice, to present for election.

The notice will also state the general nature of any proposed action to be taken at the meeting to approve of any of the following matters: (a) a transaction in which a director has a financial interest within the meaning of California Corporations Code §310; (b) an amendment of the articles of incorporation under California Corporations Code §902; (c) a reorganization under California Corporations Code §1201; (d) a voluntary dissolution under California Corporations Code §1900; or (e) a distribution in dissolution that requires approval of the outstanding shares under California Corporations Code §2007.

2.5 Manner of Giving Notice; Affidavit of Notice. Notice of a shareholders' meeting shall be given either personally or by first-class mail or other written communication (including facsimile, telegram, or electronic mail message), charges prepaid, addressed to each shareholder at the physical or electronic address appearing on the corporation's books or given by the shareholder to the corporation for the purpose of notice. If no address appears on the corporation's books or has been given as specified above, notice shall be either (a) sent by first-class mail addressed to the shareholder at the corporation's principal executive office or (b) published at least once in a newspaper of general circulation in the county where the principal executive office is located. The notice is deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

If any notice or any report mailed to a shareholder at the address on the corporation's books is returned, marked to indicate that the United States Postal Service is unable to deliver it to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if the corporation holds the document available to the shareholder on written demand at the corporation's principal executive office for a period of one year after the date the notice or report was given to all other shareholders.



An affidavit of the mailing or other authorized means of transmitting any notice of shareholders' meetings, report, or other document sent to the shareholders, may be executed by the corporation's secretary, assistant secretary or transfer agent, and, if executed, shall be filed and maintained in the minute book of the corporation.

2.6 Quorum. The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of the shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave fewer than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum, unless the General Corporation Law requires the vote of a greater number of shareholders or a vote by classes.

2.7 Adjourned Meeting; Notice. Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 2.6.

When any meeting of the shareholders, either annual or special, is adjourned to another time or place, notice of the adjourned meeting need not be given if the time and place are announced at the meeting at which the adjournment is taken, unless a new record date for the adjourned meeting is fixed or unless the adjournment is for more than 45 days after the date set for the original meeting, in which case the board of directors will set a new record date. Notice of any such adjourned meeting, if required, shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 2.4 and 2.5. At any adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

2.8 Voting. The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 2.11, subject to the provisions of California Corporations Code §§702-704 (relating to voting shares held by a fiduciary, in the name of the corporation, or in joint ownership). The shareholders' vote may be by voice or ballot, provided, however, that any election of directors must be by ballot if demanded by any shareholder before the voting begins.

On any matter other than the election of directors, any shareholder may vote part of the shares the shareholder is entitled to vote in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares that the shareholder is voting affirmatively, it will be

conclusively presumed that the shareholder's approving vote is with respect to all shares which the shareholder is entitled to vote. If a quorum is present (or if a quorum has been present earlier at the meeting but some shareholders have withdrawn), the affirmative vote of the majority of the shares represented and voting, provided such shares voting affirmatively also comprise a majority of the number of shares required for a quorum shall constitute an act of the shareholders, unless the vote of a greater number or voting by classes is required by law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to cumulate votes (i.e., cast for any candidate a number of votes greater than the number of votes which that shareholder normally would be entitled to cast, unless the candidates' names have been placed in nomination before commencement of the voting and a shareholder has given notice at the meeting, before the voting has begun of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then all shareholders entitled to vote may cumulate their votes for candidates in nomination. Thus, each such shareholder may give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shareholder's shares are normally entitled, or may distribute the shareholder's votes on the same principle among any or all of the candidates. The candidates receiving the highest number of affirmative votes, up to the number of directors to be elected, shall be elected.

2.9 Waiver of Notice or Consent. The transaction of any meeting of shareholders, either annual or special, however called and noticed, and wherever held, shall be as valid as though they had been taken at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, each person entitled to vote who was not present in person or by proxy, either before or after the meeting, signs a written waiver of notice or a consent to holding the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the business to be transacted or the purpose of any annual or special meeting of the shareholders except that, if action is taken or proposed to be taken for approval of any of those matters specified in California Corporations Code §601(f), the waiver of notice or consent is required to state the general nature of the action or proposed action. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

A shareholder's attendance at a meeting also constitutes a waiver of notice of that meeting, unless the shareholder objects at the beginning of the meeting to the transaction of any business on the grounds that the meeting was not lawfully called or convened. In addition, attendance at a meeting does not constitute a waiver of any right to object to the consideration of matters required by law to be included in the notice of the meeting which were not so included, if that objection is expressly made at the meeting.

2.10 Shareholder Action by Written Consent Without a Meeting. Any action that could be taken at an annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all shares entitled to vote on that action were present and voted.

Directors may be elected by written consent of the shareholders without a meeting only if the unanimous written consent of all outstanding shares entitled to vote are obtained, except that vacancies on the board (other than vacancies created by removal) not filled by the board may be filled by the written consent of the holders of a majority of the outstanding shares entitled to vote.

All consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder or other authorized person who has given a written consent may revoke it by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

Unless the consents of all shareholders entitled to vote have been solicited in writing, prompt notice shall be given of any corporate action approved by the shareholders without a meeting by less than unanimous written consent to those shareholders entitled to vote who have not consented in writing. As to approval required by California Corporations Code §310 (transactions in which a director has a direct financial interest), California Corporations Code §317 (indemnification of corporate agents), California Corporations Code §1201 (corporate reorganization), or California Corporations Code §20007 (certain distributions on dissolution), the notice of the approval shall be given at least 10 days before the consummation of any action authorized by that approval. Notice shall be given in the manner specified in section 2.5.

2.11 Record Date for Shareholder Notice of Meeting, Voting and Giving Consent.

(a) For the purpose of determining the shareholders entitled to receive notice of vote at a shareholders' meeting or give written consent to corporate action without a meeting, the board may fix in advance a record date that is not more than 60 nor less than 10 days before the date of a shareholders' meeting, or not more than 60 days before any other action.

(b) If no record date is fixed:

(1) The record date for determining shareholders entitled to receive notice of, or to vote at, a

meeting of shareholders shall be the business day next preceding the day on which notice is given or, if notice is waived as provided in section 2.9, the business day next preceding the day on which the meeting is held.

(2) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, if no prior action has been taken by the board, shall be the day on which the written consent is given.

(3) The record date for determining shareholders for any other purpose shall be as set forth in Section 8.1.

(c) A determination of shareholders of record entitled to receive notice of and vote at a shareholders' meeting shall apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting. However, the board shall fix a new record date if the adjournment is to a date more than 45 days after the date of the original meeting.

(d) Only shareholders of record on the corporation's books at the close of business on the record date shall be entitled to any of the notice and voting rights listed in subsection (a) of this section, notwithstanding any transfer of shares on the corporation's books after the record date, except as otherwise required by law.

2.12 Proxies. Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy, by a writing delivered to the corporation stating that the proxy is revoked, or by attendance at the meeting and voting in person by the person executing the proxy or by a subsequent proxy executed by the same person and presented at the meeting; or (b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise provided in the proxy. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of California Corporations Code §§705(3) and 705(f).

2.13 Inspectors of Election. Before any meeting of shareholders, the board of directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting and its adjournment. If no inspectors of

election are so appointed, the Chair of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one or three. If inspectors are appointed at a meeting on the request of one or more shareholders or proxies, the holders of a majority of shares represented in person or by proxy shall determine whether one or three inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chair of the meeting may and, upon the request of any shareholder or shareholder's proxy, shall appoint a person to fill the vacancy.

The inspectors shall: (a) determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies; (b) receive votes, ballots, or consents; (c) hear and determine all challenges and questions in any way arising in connection with the right to vote; (d) count and tabulate all votes or consents; (e) determine when the polls shall close; (f) determine the result; and (g) do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

### ARTICLE III

#### DIRECTORS

3.1 Powers. Subject to the provisions of the California General Corporation Laws and any limitations in the articles of incorporation and these bylaws relating to action required to be approved by the shareholders or by the outstanding shares, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised by or under the direction of the board of directors.

3.2 Number of Directors. The authorized number of directors of the corporation shall be three until changed by a duly adopted amendment to the articles of incorporation or by an amendment to this bylaw adopted by the vote or written consent of a majority of the outstanding shares entitled to vote. However, an amendment that would reduce the authorized number of directors to a number less than three cannot be adopted if the votes cast against its adoption at a shareholders' meeting or the shares not consenting to an action by written consent are equal to more than one-sixth of the outstanding shares entitled to vote.

3.3 Election and Term of Office of Directors. Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. 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.

No reduction of the authorized number of directors shall have the effect of removing any director before the director's term of office expires.

3.4 Vacancies. A vacancy on the board of directors shall be deemed to exist (a) if a director dies, resigns or is removed by the shareholders or an appropriate court, as provided in California Corporations Code §§303 or 304; (b) if the board of directors declares vacant the office of a director who has been convicted of a felony or declared of unsound mind by an order of court; (c) if the authorized number of directors is increased; or (d) if at any shareholders' meeting at which one or more directors are elected, the shareholders fail to elect the full authorized number of directors to be voted for at that meeting.

Any director may resign effective on giving written notice to the chair of the board, the president, the secretary, or the board of directors, unless the notice specifies a later effective date. If the resignation is effective at a future time, the board may elect a successor to take office when the resignation becomes effective.

Except for a vacancy caused by the removal of a director, 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 (a) the unanimous written consent of the directors then in office, (b) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with California Corporations Code §307, or (c) a sole remaining director.

A vacancy on the board caused by the removal of a director may be filled only by the shareholders, except that a vacancy created when the board declares the office of a director vacant as provided in clause (b) of the first paragraph of this section of the bylaws may be filled by the board of directors.

The shareholders may elect a director at any time to fill a vacancy not filled by the board of directors.

The term of office of a director elected to fill a vacancy shall run until the next annual meeting of the shareholders, and such a director shall hold office until a successor is elected and qualified.

3.5 Place of Meetings; Telephone Meetings. Regular meetings of the Board of directors may be held at any place within the State of California designated from time to time by resolution of the board. In the absence of such a designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board may be held at any place within the State of California designated in the notice of the meeting, or, if the notice does not state a place or if there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone, electronic video screen communication or similar communications equipment, provided that as all directors participating can hear one another.

3.6 Annual Directors' Meetings. Immediately after each annual shareholders' meeting, the board of directors shall

hold a regular meeting at the same place, or at any other place that has been designated by the board of directors, to consider matters of organization, election of officers, and other business as desired. Notice of this meeting shall not be required unless someplace other than the place of the annual shareholders' meeting has been designated.

3.7 Other Regular Meetings. Other regular meetings of the board of directors shall be held without call at times to be fixed by the board of directors. Such regular meetings may be held without notice.

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

Special meetings shall be held on four days' notice by mail or forty-eight hours' notice delivered personally or by telephone (including a voice message system or other system or technology designed to record and communicate messages), telegraph, facsimile, electronic mail, or other electronic means. Oral notice given personally or by telephone or written notice given by electronic mail or other electronic means or facsimile may be transmitted either to the director or to a person at the director's office who can reasonably be expected to communicate it promptly to the director. Whether notice, if used, shall be addressed to each director at the address shown on the corporation's record, the notice need not specify the purpose of the meeting, nor need it specify the place of the meeting if the meeting is to be held at the principal executive office of the corporation.

3.9 Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 3.11. 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 of directors, subject to the provisions of California Corporations Code §310 (concerning approval of contracts or transactions in which a director has a direct or indirect material financial interest), §311 (concerning appointment of committees), and §317(e) (concerning indemnification of directors). A meeting at which a quorum is initially present may continue to transact business despite a withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.10 Waiver of Notice. Notice of a meeting, although otherwise required, need not be given to any director who, (a) either before or after the meeting, signs a waiver of notice or a consent to holding the meeting without being given notice, (2) signs an approval of the minutes of the meeting, or (3) attends the meeting without protesting the lack of notice before or at the beginning of the meeting. Waivers of notice or consents need not specify the purpose of the meeting. All waivers, consents and approvals of the minutes shall be filed with the corporate records or made a part of the minutes of the meeting.

3.11 Adjournment to Another Time or Place. Whether or not a quorum is present, a majority of the directors present may adjourn any meeting to another time or place.

3.12 Notice of Adjourned Meeting. Notice of the time and place of resuming a meeting that has been adjourned need not be given unless the adjournment is for more than 24 hours, in which case notice shall be given before the time set for resuming the adjourned meeting to the directors who were not present at the time of the adjournment. Notice need not be given in any case to directors who were present at the time of adjournment.

3.12 Action Without a Meeting. Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board of directors individually or collectively consent in writing to the action. Any action by written consent shall have the same force and effect as a unanimous vote of the board of directors. All written consents shall be filed with the minutes of the proceedings of the board.

3.13 Fees and Compensation of Directors. Directors and members of committees of the board may be compensated for their services, and shall be reimbursed for expenses, as fixed or determined by resolution of the board of directors. This section shall not be construed to preclude any director from serving the corporation in any other capacity, as an officer, agent, employee or otherwise, or from receiving compensation for those services.

#### ARTICLE IV

##### OFFICERS

4.1 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 of directors, a chair 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 in accordance with the provisions of Section 4.3. Any number of offices may be held by the same person.

4.2 Appointment of Officers. The officers of the corporation, except for subordinate officers appointed in accordance with Section 4.3, shall be appointed by the board of directors and shall serve at the pleasure of the board of directors.

4.3 Subordinate Officers. The board of directors may appoint, or may empower the president to appoint, other officers as required by the business of the corporation whose duties shall be as provided in the bylaws or as the board of directors or the president may from time to time determine.

4.4 Removal and Resignation of Officers. Any officer chosen by the board of directors may be removed at any time, with or without cause, by the board of directors at any regular or



special meeting of the board. Subordinate officers appointed by person other than the board under section 4.3 may be removed at any time, with or without cause or notice, by the board of directors or the officer by whom appointed. Officers may be employed for a specific term under a contract of employment if authorized by the board of directors. Such officers may be removed from office at any time under this section and shall have no claim against the corporation or any individual officer or director because of the removal except any right to monetary compensation to which the officer may be entitled under the contract of employment.

Any officer may resign at any time by giving written notice to the corporation. Resignations shall take effect on the date of receipt of the notice, unless a later time is specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation is not necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation to monetary damages under any contract of employment to which the officer is a party.

4.5 Vacancies in Offices. A vacancy in any office resulting from any officer's death, resignation, removal, or disqualification from any other cause shall be filled in the manner prescribed in these bylaws for regular election or appointments to that office.

4.6 Chair of the Board. The board of directors may elect a chair, who shall preside, if present, at board meetings and shall exercise and perform such other powers and duties as may be assigned from time to time by the board of directors. If there is no president, then the chair of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 4.7.

4.7 President. Except to the extent the bylaws or the board of directors assign specific powers and duties to the chair of the board (if any), the president shall be the corporation's general manager and chief executive officer and, subject to the control of the board of directors, shall have general supervision, direction and control of the corporation's business and its officers, managerial powers and duties of the president shall include, without limitation, the general powers and duties of management usually vested in the office of president of a corporation, and such other powers and duties as prescribed by the board of directors or these bylaws. The President shall preside at all meetings of the shareholders and, in the absence of a chair of the board or if there is no chair of the board, shall also preside at all meetings of the board of directors.

4.8 Vice Presidents. If desired, one or more vice presidents may be chosen by the board of directors in accordance with the provisions of electing officers in section 4.2. In the absence or disability of the president, the president's duties and responsibilities shall be carried out by the highest ranking available vice president if vice presidents are ranked, or, if not, by a vice president designated by the board of directors. When so acting, a vice president shall have all the powers of and

be subject to all the restrictions on the president. Vice presidents of the corporation shall have such other powers and perform such other duties as prescribed from time to time by the board of directors, the bylaws, or the president (or the chair of the board if there is no president).

#### 4.9 Secretary.

(a) Minutes. The secretary shall keep or cause to be kept minutes of all shareholders' meetings and all board meetings. If the secretary is unable to be present, the secretary or the presiding officer of the meeting shall designate another person to take minutes of the meeting. The secretary shall keep or cause to be kept at the principal executive office or at such other place designated by the board of directors, a book of minutes of all meetings and actions of the shareholders, the board of directors, and any committees of the board. The minutes of each meeting shall state the time and place the meeting was held; whether it was regular or special; if special, how it was called or authorized; the names of directors present at board or committee meetings; the number of shares present or represented at shareholders' meetings; an accurate account of the proceedings; and when it was adjourned.

(b) Share Register. A share register or a duplicate share register shall be kept by the secretary showing the names and addresses of all shareholders, the number and class of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation.

(c) Notice of Meetings. The secretary shall give notice or cause notice to be given of all shareholders' meetings, board meetings and meetings of committees of the board for which notice is required by statute or the bylaws.

(d) Other Duties. The secretary shall keep the seal of the corporation, if any, in safe custody. The secretary shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

4.10 Chief Financial Officer. The chief financial officer shall keep or cause to be kept adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall (1) deposit corporate funds and other valuables in the corporation's name and to its credit with depositories designated by the board of directors; (2) make disbursements of funds authorized by board of directors; (3) render a statement of the corporation's financial condition and an account of all transactions conducted as chief financial officer whenever requested by the president or the board of

directors; and (4) have other powers and perform such other duties as prescribed by the board of directors or these bylaws.

## ARTICLE V

### MANDATORY ANNUAL CHARITABLE CONTRIBUTIONS BY THE CORPORATION TO LOCAL NON-PROFIT ORGANIZATIONS

The Shareholders authorize and direct that the Board of Directors shall at all times retain a reasonable amount of working capital to pay general operating expenses of the corporation and a contingency reserve fund in a sufficient amount as may be required to pay costs and expenses to resolve unanticipated legal or business problems.

The shareholders further authorize and direct that the Board of Directors shall annually donate all additional amounts of its annual retained earnings to non-profit organizations which provide assistance to the most challenged members of our community.

## ARTICLE VI

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

6.1 Indemnification. The corporation shall, to the maximum extent permitted by the California General Corporations Law, have the power to indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Article, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

6.2 Payment of Expenses in Advance. Expenses and attorneys' fees incurred in defending any civil or criminal action or proceeding for which indemnification is required pursuant to Section 5.1, or if otherwise authorized by the Board of directors, shall be paid by the corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified as authorized in this Article.

6.3 Indemnity Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of shareholders or directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. The rights to indemnity hereunder shall continue as to a

person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of the person.

6.4 Insurance Indemnification. The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against or incurred by such person in such capacity or arising out of that person's status as such, whether or not the corporation would have the power to indemnify that person against such liability under the provisions of this Article.

6.5 Conflicts. No indemnification or advance shall be made under this Article, except where such indemnification or advance is mandated by law or the order, judgment or decree of any court of competent jurisdiction, in any circumstance where it appears:

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

## ARTICLE VII

### RECORDS AND REPORTS

7.1 Maintenance and Inspection of Shareholder Record and Inspection by Shareholders. The corporation shall keep at its principal executive office or at the office of its transfer agent or registrar (if either be appointed), as determined by resolution of the Board of directors, a record of its shareholders listing the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent in the aggregate of the outstanding voting shares of the corporation have the right to do either or both of the following:

(a) inspect and copy the record of shareholders' names, addresses and shareholdings during usual business hours on five days' prior written demand on the corporation, or

(b) obtain from the corporation's transfer agent, on written demand and on tender of the transfer agent's usual charges for this service, a list of the names and addresses of the shareholders who are entitled to vote for the election of directors, and the shareholders, as of the most recent record date for which a list has been compiled or as of a specified date later than the date of demand. This list shall be made available

within five days after the date of demand or the specified later date as of which the list is to be compiled.

The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or holder of a voting trust certificate. Any inspection and copying under this section may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

7.2 Maintenance and Inspection of Bylaws. The corporation shall keep at its principal executive office the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours.

7.3 Maintenance and Inspection of Minutes and Accounting Records. The minutes of proceedings of the shareholders, the board of directors, and committees of the board and the accounting books and records shall be kept at the principal executive office of the corporation or at such other place or places as designated by the board of directors. The minutes shall be kept in written form, and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand on the corporation of any shareholder or holder of a voting trust certificate at any reasonable time during usual business hour, for a purpose reasonably related to the holder's interests as a shareholder or holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

7.4 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts.

7.5 Financial Statements. The corporation shall keep a copy of each annual financial statement, quarterly or other periodic income statement, and accompanying balance sheets prepared by the corporation on file in the corporation's principal executive office for 12 months. The corporation shall, on the written request of any shareholders made not later than 120 days after the close of the fiscal year adopted by the corporation, deliver or mail to the shareholder within 30 days after receipt of the request, a copy of a balance sheet of the corporation as of the end of the fiscal year and an income statement and statement of changes in financial position for that fiscal year, accompanied by any report thereon of independent accountants or, if there is no such statement, the certificate of

an authorized officer of the corporation that the statements were prepared without audit from the books and records of the corporation.

A shareholder or shareholders holding at least five percent of the outstanding shares of any class of the corporation may make a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than 30 days prior to the date of the request and a balance sheet of the corporation as of the end of that period. The statements shall be delivered or mailed to the person making the request within 30 days thereafter.

A copy of the statements shall be kept on file in the principal office of the corporation for 12 months and shall be exhibited at all reasonable times to any shareholder demanding an examination of the statements or a copy shall be mailed to the shareholder.

Quarterly income statements and balance sheets referred to in this section shall be accompanied by the report, if any, of independent accountants engaged by the corporation or the certificate of an authorized corporate officer stating that the financial statements were prepared from the books and records of the corporation without audit.

## ARTICLE VIII

### GENERAL MATTERS

8.1 Record Date for Purposes Other Than Notice and Voting. For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment rights or entitled to exercise any rights in respect of any other lawful action (other than voting at and receiving notice of shareholders' meetings and any written consent of the shareholders without a meeting), the board of directors may fix in advance a record date, which shall not be more than 60 days nor less than 10 days before the date of dividend payments, distributions or other action. Only shareholders of record at the close of business on the record date are entitled to receive the dividend, distribution or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the Articles of Incorporation or the California Corporations Code.

If the Board of directors does not so fix a record date in advance, the record date shall be at the close of business on the day on which the Board adopts the resolution relating thereto or the sixtieth (60<sup>th</sup>) day prior to the date of that action, whichever is later.

8.2 Authorized Signatures for Checks. All checks, drafts, other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the corporation shall be signed or endorsed by the person or persons

in the manner authorized from time to time by resolution of the board of directors.

8.3 Executing Contracts and Instruments. Except as otherwise provided in the articles of incorporation or these bylaws, the board of directors, by resolution, may authorize any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the corporation. This authority may be general or it may be confined to one or more specific matters. No officer, agent, employee or other person purporting to act on behalf of the corporation shall have any power or authority to bind the corporation in any way, to pledge the corporation's credit, or to render the corporation liable for any purpose or in any amount unless the person was acting with authority granted by the board of directors as provided in these bylaws, or unless an unauthorized act was later ratified by the corporation.

8.4 Certificates for Shares. A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of the shares are fully paid. In addition to certificates for fully paid shares, the board of directors may authorize the issuance of certificates for shares that are partly paid and subject to call for the remainder of the purchase price, provided that the certificates representing partly paid shares shall state the total amount of the consideration to be paid for the shares and the amount actually paid.

All certificates shall certify the number of shares and the class or series of shares represented by the certificate. All certificates shall be signed in the name of the corporation by the chair of the board, the president or any vice president, and either the chief financial officer, any assistant treasurer, the secretary or any assistant secretary. Any or all of the signatures on the certificate may be facsimile. If any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before the certificate is issued, the certificate may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issue.

8.5 Lost Certificates. Except as provided in this Section, no new certificates for shares shall be issued to replace the old certificate unless the old certificate is surrendered to the corporation for cancellation at the same time. If any share certificate or certificate for any other security has been lost, stolen or destroyed, the board of directors may authorize the issuance of replacement certificates on terms and conditions as required by the board, which may include that the owner give the corporation a bond (or other adequate security) sufficient to indemnify the corporation against any claim that may be made against it (including any expense or liability), on account of the alleged loss, theft or destruction of the old certificate or the issuance of the replacement certificate.

8.6 Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Corporations Code §§100-195 govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation, other entity and a natural person.

#### ARTICLE IX

##### AMENDMENTS

Except as otherwise required by law or by the articles of incorporation, these bylaws may be amended or repealed or new bylaws may be adopted by the board of directors or the holders of a majority of the outstanding shares entitled to vote.

#### ARTICLE X

##### INTERPRETATION

Reference in these Bylaws to any provision fo the California Corporations Code shall be deemed to include all amendments thereof.



DECLARATION OF  
CRIMINAL OFFENSES

OFFICE OF THE CITY ADMINISTRATOR  
DECLARATION REGARDING DISQUALIFYING CRIMINAL OFFENSES

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I, dave wedding dress, applicant for a Cannabis Dispensary Permit or holder of an ownership interest in the potential Cannabis Dispensary, declare that I have not been convicted of, pled nolo contendere, forfeited, or entered into a plea bargain relating to any of the criminal offenses listed below:

1. Health & Safety Code Chapter 6 (Sections 11350 – 11392) or Chapter 9.5 (Sections 11530 – 11538) pertaining to controlled substances
2. Penal Code Section 187 (Homicide)
3. Penal Code Section 207 (Kidnapping)
4. Penal Code Section 211 (Robbery)
5. Penal Code Sections 240-248 (Assault & Battery)
6. Penal Code Section 261 (Rape)
7. Penal Code Section 314 (Indecent Exposure)
8. Penal Code Section 450 (Arson)
9. Penal Code Sections 458-464 (Burglary)
10. Penal Code Sections 470-483.5 (Forgery)
11. Penal Code Sections 484-502.9 (Larceny)
12. Penal Code Sections 503-515 (Embezzlement)
13. Any violent crime or crime of dishonesty, fraud, or deceit with an intent to substantially injure another

Further I realize that any false statement pertaining to the above offenses may result in the denial of my application or the revocation of a Cannabis Dispensary Permit.

dave wedding dress  
APPLICANT/ FOR A CANNABIS DISPENSARY PERMIT/  
HOLDER OF OWNERSHIP INTERESTE IN POTENTIAL CANNABIS  
DISPENSARY

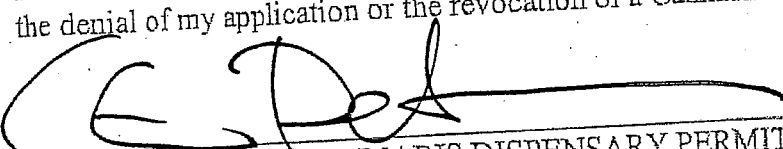
12/13/05  
DATE

OFFICE OF THE CITY ADMINISTRATOR  
DECLARATION REGARDING DISQUALIFYING CRIMINAL OFFENSES

I, STEPHEN R. DEANGELO, applicant for a Cannabis Dispensary Permit or holder of an ownership interest in the potential Cannabis Dispensary, declare that I have not been convicted of, pled nolo contendere, forfeited, or entered into a plea bargain relating to any of the criminal offenses listed below:

1. Health & Safety Code Chapter 6 (Sections 11350 - 11392) or Chapter 9.5 (Sections 11530 - 11538) pertaining to controlled substances
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APPLICANT/ FOR A CANNABIS DISPENSARY PERMIT/  
HOLDER OF OWNERSHIP INTEREST IN POTENTIAL CANNABIS  
DISPENSARY

12/13/05  
DATE