

BYLAWS of the SURETY ASSOCIATION OF SAN DIEGO

ARTICLE I

NAME

Section 1. The name of this Association shall be Surety Association of San Diego.

ARTICLE II

PURPOSE

Section 1. This corporation is a business league, not organized for profit and the net earnings of which are devoted exclusively for the promotion of a common business interest within the meaning of section 501(c) (6) of the 1986 Internal Revenue Code, as amended (RC), and section 23701(e) of the California Revenue Taxation Code (Rev. & Tax).

This corporation is a nonprofit Mutual Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

Within the context of the foregoing, this corporation is organized as a membership organization of surety agents, insurance companies and other related businesses with a common business interest in the Greater San Diego area. Its purpose is to: a) educate and inform our members and the community about issues relating to corporate suretyship; b) monitor legislative or other regulatory activity and where appropriate take steps to influence its outcome; c) promote to the members and the public an awareness and understanding of the benefits of corporate suretyship; d) improve business conditions relating to corporate suretyship.

ARTICLE III

PROHIBITED ACTS

Section 1. The Surety Association of San Diego shall not; a) engage in the discussion of or setting rates; b) engage in the creation or promulgation of forms for the collective use of Association members; c) engage in the discussion of uncollected premium balances; d) engage in any other activity in violation of any State or Federal anti-trust regulation or law.

ARTICLE IV

MEMBERSHIP

Section 1. Membership in the Surety Association of San Diego will be open to any company, agency or brokerage transacting any class of fidelity, surety or forgery business in San Diego County.

Each members firm shall be represented by one or more owners or employees of said firm. However, member firms with more than one representative shall collectively be entitled only to one vote in matters of the Association.

Retired individuals, formerly representing a member firm of the Association, may attend and participate in Association functions, in their individual capacities, provided retired individuals shall have no voting rights, and shall not be eligible to hold office.

Section 2. Application of a voting-rights membership shall be submitted in to the Secretary of the Association, considered by the Executive Committee and, if approved, referred to the Association for ratification. If applicable, the Committee may refer multiple prospective members at one time. Prospective affiliate members will be approved by the Executive Committee.

Section 3. Any member of the Association may at any time withdraw from the Association by filing his resignation in writing with the President thereof.

Section 4. The Association shall be the judge of the qualifications of its members but no member shall be expelled without reasonable cause and without a vote of two-thirds of all members of the Association qualified to vote.

Section 5. Upon termination of membership of any member of the Association for any reason whatsoever, such member shall have no rights whatever to any of the assets of the Association.

Section 6. The membership shall be open to include affiliate members who can help promote the further understanding of the matter and problems related to suretyship. This affiliate membership shall be limited to such fields as accounting, banking, credit reporting, fund control and law. This affiliate membership shall be governed by all of the articles of this constitution (with the exception of the membership acceptance), but will not be vested with voting ability nor be allowed to hold a position of office.

ARTICLE V

OFFICERS

Section 1. The officers of the Association shall be President, a Vice President, a Secretary, and a Treasurer. The Treasurer shall be elected by a majority vote via email from the nominees mentioned in Article VIII. The retiring President's position will be filled by the Vice President; the vacant Vice Presidency will be filled by the Secretary

and the office of Secretary will be filled by the Treasurer. Each officer shall serve for one year from the date of the election of the Treasurer.

Section 2. More than one person connected with any one company or agency/brokerage or its associated or affiliated companies may serve as an officer at the same time. (Adopted 2-14-80)

Section 3. In the event of a vacancy in the office of the President, Vice President or Secretary, singularly or simultaneously, the remaining officer or officers will automatically assume in title and duties the next highest office for the unexpired term. Any office remaining vacant will be filled by having the Executive Committee select not less than two candidates for each office to be voted on at the next regular meeting, or at a special meeting called by the President, provided then (10) days notice of such meeting is given to all members, and the one receiving the greater number of votes cast for each office shall be elected to that office for the unexpired term.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. The President shall preside over at all meetings of the Association and of the Executive Committee. He/she may call special meetings of the Association whenever special meetings seem necessary or advisable, and shall call such meetings at any time upon the written request of three members. The President shall have the power to appoint members to chair any committees that in the judgment of the President are advisable or necessary to transact the business of the Association. The President shall also be in charge of the taxes for the prior year.

Section 2. The Vice President shall be in charge of updating the association's website, handling any social media accounts, and working on the taxes in conjunction with the President. The Vice President shall also perform the duties of the President when the latter is absent or incapacitated.

Section 3. The Secretary shall keep the minutes of the meetings of the Association and of the Executive Committee, shall be custodian of its records, and shall conduct the correspondence of the Association except in such cases where the President may desire or may be requested by the Association to conduct it.

Section 4. The Treasurer shall collect, hold, disburse, and account for the funds of the Association in such matter as the Association may prescribe. The Treasurer shall also be in charge of the PayPal account, as well as the online Union Bank accounts.

Section 5. The officers of the Association shall also perform such other duties as commonly pertain to their respective offices.

ARTICLE VII

EXECUTIVE COMMITTEE

Section 1. There shall be an Executive Committee of the Association, consisting of the President, the Vice President, the Secretary, the Treasurer, and the retiring President, if any. The President of the Association shall be the chairman of the Executive Committee.

Section 2. The Executive Committees, subject to approval of the Association, shall have general control of the association's affairs.

Section 3. A member of the Executive Committee shall be disqualified for service thereon in connection with any matter in which he, or any other person connected with the same company or agency/brokerage as himself, is party to a complaint under Article XI thereof.

The Executive Committee, in each such case, may appoint a substitute for any member thus disqualified.

ARTICLE VIII

NOMINATIONS AND ELECTIONS

Section 1. At any time, the board shall be made up of two representatives from the company side, and two from an agency/brokerage. The nominations shall reflect this.

Section 2. Prior to the fall meeting, the floor will be opened (via email) for nominations. The nominees will be announced via email following the meeting.

Section 3. Subject to all provisions, any representative of an Association member firm may be eligible for office.

Section 4. Following the fall meeting, members will be invited to submit their vote via email. Each voting member shall have one vote. The name of the elected candidate shall be announced after the tabulation has been completed.

ARTICLE IX

MEETINGS

Section 1. Regular meetings of the Association shall be held each quarter, with the exception of the 4th quarter.

Section 2. Special meetings of the Association shall be held as herein before provided.

Section 3. A majority of the voting members of the Association shall constitute a quorum at any of its meetings.

Section 4. Meetings of the Executive Committee shall be held upon a call of its Chairman or of a majority of its members.

Section 5. A majority of the Executive Committee shall constitute a quorum at any of its meetings.

Section 6. Unless otherwise provided by the Constitution or By-Law, any matter presented for a vote at any meeting of the Association, or any committee, shall be adopted only on majority vote of the voting members.

ARTICLE X

BY-LAWS

Section 1. The Association may adopt, amend, or rescind such By-Law as it may deem advisable; provided, however, that no By-Laws shall conflict with this Constitution or with the laws of any State having jurisdiction over any of the activities of the Association, or of the United States.

ARTICLE XI

COMPLAINTS

Section 1. Any member may make a complaint against any other member for an alleged violation of the Constitution or By-Laws of the Association. Such complaints shall be referred to the Executive Committee for Action.

ARTICLE XII

EXPENSES

Section 1. No expense that cannot be met by the entrance fees and dues shall be incurred by the Association except with the consent of two-thirds of the voting members.

Section 2. Each member and affiliate member shall pay annual dues in an amount to be determined annually in advance by the Executive Committee.

ARTICLE XIII

AMENDMENTS

Section 1. This instrument may be amended or changed only: a) at a regular meeting of the Association, b) by a two-thirds vote of all members of the Association qualified to vote, c) if notice of the proposed action, together with a copy of the desired change, shall have been filed with the Secretary at a preceding regular meeting, and shall have been transmitted by the Secretary to each member of the Association.

Section 2. Any of the provisions of this Constitution inconsistent with the applicable State and Federal Law shall not be binding upon the members of this Association.

ARTICLE XIV

RULES OF ORDER

Section 1. In the conduct of meetings of the Association, Robert Rules of Order shall govern.

ARTICLE XV

PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

Section 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings, or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or education purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.