

**BY LAWS
OF
PLACERVILLE DOWNTOWN CORPORATION**

ARTICLE 1. OFFICES

Principal Office

Section 1.01. The principal office of the Corporation for its transaction of business is located at 400 Main Street, in the City of Placerville, County of El Dorado, State of California.

Change of Address

Section 1.02. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in the County of El Dorado, State of California. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment to these Bylaws.

ARTICLE 2. MEMBERS

Classification and Qualification of Members

Section 2.01. The corporation shall have one class of members only, and each member shall have equal voting and other rights. No person shall hold more than one membership in the Corporation.

Eligibility for Membership

Section 2.02. Any person, as defined in Section 5065 of the Corporations Code, is eligible to be member of the Corporation, except that, in the case of a natural person, such person shall not be eligible for membership unless over the age of eighteen (18) years.

Section 2.02.1 To be eligible for membership, members must be an owner, agent, or representative of a business, office, or property owner located in the downtown core area of Placerville.

Admission to Membership

Section 2.03. Any person, as defined in Section 5065 of the Corporations Code, qualifies for membership under Section 2.01 of these Bylaws and eligible for membership under Section 2.02 and Section 2.02.1 of these Bylaws, shall be admitted to membership only on the approval of the officers of the Corporation of an application submitted by such person in such form and in such manner as shall be prescribed by such person in such form and in such manner as shall be prescribed by the Board of Directors.

Application Fee

Section 2.04. No fee shall be charged for making application for membership in the Corporation.

Dues

Section 2.05. The annual dues payable to the Corporation by members shall be in such amounts as shall be determined by resolution of the Board of Directors. Dues shall be payable for the first year as admission to membership and annually 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 membership is, by contract or otherwise, liable for dues.

Assessments

Section 2.06. Memberships shall be non-assessable.

Number of Members

Section 2.07. There shall be no limit on the number of members the Corporation may admit.

Membership Book

Section 2.08. The corporation shall keep in written form or in any form capable of being converted into written form, a membership book containing the name and address of each 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 acquired by law as set forth in Section 2.09 of these Bylaws.

Certificates of Membership

Section 2.09. The Board of Directors of the Corporation may provide for the issuance of certificates evidencing membership in the Corporation. The certificates issued by the Corporation shall state on the certificate that the Corporation is a nonprofit mutual benefit corporation, which may not make distributions to its members except on dissolution.

Nonliability of Members

Section 2.10. A member of the Corporation shall not solely because of such membership be personally liable for the debts, obligations, or liabilities of the Corporation.

Transferability of Membership

Section 2.11. Neither the membership in the Corporation nor any rights in the membership may be transferred for value or otherwise.

Termination of Membership

Section 2.12. (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 with notice as prescribed by Section 2.12 (b) of these Bylaws;
- (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 corporate members; and
- (5) The nonpayment of dues, subject to the limitations set forth in Section 2.12 (c) of these Bylaws.

Resignation by Giving Notice

(b) The membership of any member of the Corporation shall automatically terminate on such member's written request for such termination delivered to the President or Secretary of the Corporation personally or deposited in the United States first-class mail, postage prepaid.

By Nonpayment of Dues or Assessments

(c) The membership of any member who fails to pay dues or assessments when they become due and within thirty (30) days thereafter shall automatically terminate at the end of such thirty (30) day period, provided he was given written notice delivered to him personally or by United States mail within ten (10) days before the due date that such dues and assessments were due and payable as of paid due date. In the event that such written notice is not given as herein required, then such membership shall automatically terminate for nonpayment of dues only if they are not fully paid within thirty (30) days after such written notice is eventually given and delivered to the member in person or deposited in the United States mail, postage prepaid, and sent to him at his address as it appears on the books of the Association.

Effect of Termination

(d) 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 3. MEETINGS OF MEMBERS

Place

Section 3.01. Meetings of members shall be held at the principal office of the Corporation or at such location within the State of California as may be designated from time to time by resolution of the Board of Directors.

Section 3.02. Regular meetings of members shall not be held.

Section 3.03. Special meetings of members shall be called by the Board of Directors and held at such times and places within the State of California as may be ordered by resolution of the Board of Directors or by five (5) percent of the members of the Corporation. Five (5) percent or more of the members of the Corporation may call special meetings for any lawful purpose.

Notice of Meetings

Section 3.04. Written notice of every meeting of members shall be either personally delivered or mailed by first-class United States mail, postage prepaid, two (2) days before the date of the meeting to each member who on the record date for notice of the meeting is entitled to vote there at.

Contents of Notice

Section 3.05. The notice shall state the place, date, and time of the meeting.

Waivers, Consents, and Approvals

Section 3.06. The transactions of any meeting of members, however called and noticed, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present in person and if, either before or after the meeting, each of the persons entitled to vote but not present in person, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Quorum

Section 3.07. A quorum at any meeting of members shall consist of 20% the members of the corporation.

Loss of Quorum

Section 3.08. The 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.

Adjournment for Lack of Quorum

Section 3.09. In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the votes represented either in person or by proxy, but no other business may be transacted except as provided in Section 3.08 of these Bylaws.

Voting of Membership

Entitlement

Section 3.10. (a) Each 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 3.10 (c) of these Bylaws relating to the voting of memberships in two or more names.

Memberships in Two or More Names

(c) Where a 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 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 votes, the act of the majority so voting shall bind all members.

Proxy Voting

(d) Members entitled to vote shall not be permitted to vote or act by proxy.

Action Without Meeting by Written Ballot

Ballot Requirements

Section 3.11 (a) Subject to the limitations specified in Section 3.11 (b) of these Bylaws, any action, which may be taken at any meeting of members, may be taken without a meeting provided there is satisfaction of the following ballot requirements:

(1) The Corporation distributes a written ballot to every member entitled to vote on the matter;

(2) The 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 corporation;

(3) 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

(4) 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.

Voting by Written Ballot

(d) In any election of Directors, any form of written ballot in which the Directors to be voted on are named therein as candidates and which is marked by a member "withheld" or otherwise marked in a manner indicating that the authority to vote for the election of Directors is withheld shall not be voted either for or against the election of a director.

Revocation of Ballot

(e) A written ballot may not be revoked.

Conduct of Meetings

Chairman

Section 3.12. (a) The President of the Corporation or in his or her absence, any other person chosen by a majority of the voting members present in person shall be Chairman of and shall preside over the meetings of the members.

Secretary of Meetings

(b) The Secretary of the Corporation shall act as the Secretary of all meetings of members; provided that in his or her absence, the Chairman of the meetings of members shall appoint another person to act as secretary of the meeting.

Rules of Order

(c) The Robert's Rules of Order, as may be amended from time to time, shall govern the meetings of members insofar as such rules are not inconsistent with or in conflict with these Bylaws, the Articles of Incorporation of this Corporation or the law.

ARTICLE 4. DIRECTORS

Section 4.01. The Corporation shall have not less than three (3) nor more than ten (10) Directors. The exact number of Directors shall be three (3) and this number shall be fixed from time to time, within the limits specified in this Bylaw by an amendment to this Bylaw duly adopted by approval of the members, as that term is defined in Section 5034 of the Corporations Code.

Qualifications

Section 4.02. The Directors of the Corporation shall be residents of the State of California.

Terms of Office

Section 4.03. Each Director shall hold office for a term of one (1) year from the date of such Director's election and until such Director's successor is elected and qualifies under Section 4.02 of these Bylaws. In the event a Director is removed at a special meeting of the members called and held as prescribed by Section 3.03 of these Bylaws, such Director shall hold office until his or her removal and his or her successor is elected and qualifies and no longer.

Nomination

Section 4.04. Any person qualified to be a Director under Section 4.02 of these Bylaws may be nominated by the method of nomination authorized by the Board or by any other method authorized by law.

Election

Section 4.05. The Directors shall be elected by written ballot as authorized by Section 3.11 of these Bylaws. The candidates receiving the highest number of votes up to the number of Directors to be elected are elected. Directors shall be eligible for re—election without limitation on the number of terms they may serve, provided they continue to meet the qualifications required by Section 4.02 of these Bylaws.

Compensation

Section 4.06. The Directors shall serve without compensation.

Meetings

Call of Meetings

Section 4.07. (a) Meetings of the Board may be called by the Chairman of the Board or the President or any Vice—President or the Secretary or any two (2) Directors.

Place of Meetings

(b) All meetings of the Board shall be held at the principal office of the Corporation as specified in Section 1.01 of these Bylaws or as changed from time to time as provided in Section 1 .02 of these Bylaws.

Time of Regular Meetings

(c) Regular meetings of the Board shall be held, without call or notice, at the principal office of the corporation, or designated on the first Thursday of each month at 8:00 A.M., or as otherwise specified.

Special Meetings

(d) Special meetings of the Board may be called by the Chairman of the Board or the President or any Vice—President or the Secretary or any two (2) Director. Special meetings shall be held on four (4) days' notice by first class mail, postage prepaid, or on forty—eight (48) hours' notice delivered personally or by telephone or telegraph. Notice of the special meeting need not be given to any Director who signs a waiver of notice or a written consent to holding 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 Director. All such waivers, consents, and approval shall be filed with the corporation records or made a part of the minutes of the meetings.

Quorum

(e) A majority of the authorized number of Directors constitutes a quorum of the Board of the transaction of business, except as hereinafter provided.

Transactions of Board

(f) Except as otherwise provided in the Articles, in these Bylaws, or by law, 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 is the act of the Board, provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for such meeting.

Conduct of Meetings

(g) The Chairman of the Board or, in his or her absence, any Director selected by the Directors present shall preside at meetings of the Board of Directors. 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 use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Such participation shall constitute personal presence at the meeting.

Adjournment

(h) A majority of the Directors 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 Directors who were not present at the time of adjournment.

Action Without Meeting

Section 4.08. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to such

action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

Removal of Directors Removal for Cause

Section 4.09. (a) The Board may declare vacant the office of a Director on the occurrence of any of the following events:

- (1) The Director has been declared of unsound mind by a final order of Court;
- (2) The Director has been convicted of a felony; or
- (3) The Director has been found by a final order or judgment of any court to have breached duties imposed by Section 7238 of the Corporations Code on directors who perform functions with respect to assets held in charitable trust; or
- (4) The Director has failed to attend three (3) meetings of the Board.

Removal Without Cause

(b) Any or all of the Directors may be removed without cause if, where the Corporation has fewer than fifty (50) members, such removal shall be approved by a majority of all members pursuant to Section 5033 of the Corporations Code; or where the Corporation has more than fifty (50) members, such removal shall be approved by the members within the meaning of Section 5034 of the Corporations Code.

Resignation of Director

Section 4.10. Any Director may resign effective on giving written notice to the Chairman of the Board of Directors, the President, the Secretary, or the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Vacancies in the Board

Causes

Section 4.11. (a) Vacancies on the Board of Directors shall exist on the death, resignation, or removal of any Director; whenever the number of Directors authorized is increased; and on the failure of the members in any election to elect the full number of Directors authorized.

Filling Vacancies by Directors

(b) Except for a vacancy created by the removal of a Director pursuant to Section 4.09 of these Bylaws, vacancies on the Board of Directors may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director.

Filling Vacancies by Members

(c) Vacancies created by removal of Directors shall be filled only by the approval of the members within the meaning of Section 5034 of the Corporations Code. The members may elect a Director at any time to fill a vacancy not filled by the Directors.

ARTICLE 5. OFFICERS

Number and Title

Section 5.01. The officers of the Corporation shall be a President, a Vice-President, a Secretary/ Treasurer, and such other officers with such titles and duties as shall be determined by the Board and as may be necessary to enable it to sign instruments.

The President is the general manager and chief executive of the Corporation.

Appointment and Resignation

Section 5.02. The officers shall be chosen by and serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment. 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.

ARTICLE 6. CORPORATE RECORDS, REPORTS, AND SEAL

Keeping Records

Section 6.01. The Corporation shall keep adequate and correct records of account and minutes of the proceedings of its members, Board, and committees of the Board. The Corporation shall also keep a record of its members giving their names and addresses and the class of membership held by each. 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.

Annual Report

Section 6.02. The Corporation shall notify each member yearly of the member's right to receive a financial report pursuant to Corporations Code Section 8321 (a). Except where the Corporation does not have more than one hundred (100) members or more than ten thousand dollars (\$10,000.00) in assets at any time during the fiscal year, on the written request of a member the board shall promptly cause the most recent annual report to be sent to the requesting member. The annual report shall be prepared not later than one hundred and twenty (120) days after the close of the Corporation's fiscal year. The annual report shall contain in appropriate detail the following : (1) a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year; (2)

a statement of the place where the names and addresses of the current members are located; and (3) any information concerning certain transactions and indemnifications required by Corporations Code Section 8 322. The annual report shall be accompanied by any report thereon of independent accountants or, if there is not such a report, the certificate of any authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

**Annual Statement of Certain Transactions and
Indemnifications**

Section 6.03. The Corporation shall furnish annually to its members a statement of any transaction or indemnification described in Corporations Code Section 8322 (d) and (e), if such transaction or indemnification took place. Such annual statement shall be affixed to and sent with the annual report described in Section 6.02 of these Bylaws.