

**BYLAWS**

**OF**

**SACRAMENTO INVESTMENT WITHOUT DISPLACEMENT, INC.**

**a California Nonprofit Public Benefit Corporation**

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**BYLAWS**  
**OF**  
**SACRAMENTO INVESTMENT WITHOUT DISPLACEMENT, INC.**  
**a California Nonprofit Public Benefit Corporation**

**ARTICLE 1**

**Offices**

**Section 1.1 Name**

The name of the organization shall be Sacramento Investment Without Displacement, Inc.

**Section 1.2 Principal Executive Office.**

The principal executive office of the corporation shall be located in Sacramento County. The Board of Directors may change the location of this office. Any such change shall be noted on these Bylaws by the Secretary, opposite this section, or this section may be amended to state the new location.

**Section 1.3 Mission**

The objectives and purposes of this corporation shall be to support the health and stability of neighborhoods impacted by development.

## ARTICLE 2

### **Membership**

#### **Section 2.1 Voting Members.**

A Member must be a California nonprofit corporation, unincorporated association, or group located in Sacramento organized to advocate for or support one or more of the following: affordable housing, food security, health access, labor, neighborhood association, environmental sustainability, impacted constituents, youth, students, neighborhood-based businesses, transportation equity.

Membership dues shall be in the amount determined by the Board of Directors.

Members may become members through an “Open Door” policy that allows for a reduced dues payment. “Open Door” Members are defined by income or economic necessity. “Open Door” Members shall have all the rights and privileges of members who pay full dues.

Members must execute a membership agreement in a form adopted by the Board of Directors.

#### **Section 2.2 Non-Discrimination Clause**

Members shall not discriminate against any person or group of persons on the basis of race, ethnicity, culture, language, national origin, geographic origin, age, disability, gender, sexual orientation, gender expression, education, religion, faith, socioeconomic status or lived experience.

#### **Section 2.3 Termination of Memberships.**

The membership of any member shall terminate upon the occurrence of any of the following events:

- (a) The resignation of the member.
- (b) In the case of a membership issued for a period of time, when the period of time has elapsed, unless the membership is renewed.
- (c) The failure of the member to pay dues within the times set forth by the Board of Directors or as otherwise provided in accordance with these Bylaws.
- (d) The failure to abide by the membership agreement. The determination of such failure shall be at the sole discretion of the Board of Directors

Termination of a membership shall not relieve the member from any obligation for charges incurred, services or benefits actually received, dues, assessments, or for which the member is obligated to the corporation.

Before a membership is terminated in accordance with, the following procedures shall be followed:

(i) A notice shall be sent by prepaid first-class or registered mail to the most recent address of the member as shown on the corporation's records, setting forth the action to be taken, the reasons for the action, and the date, time, and place of the hearing. Such notice shall be sent at least fifteen (15) days before the proposed effective date of termination.

(ii) The member whose membership is being terminated shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than five (5) days before the effective date of the proposed termination. The hearing will be held by a special committee of the Board of Directors composed of no fewer than three Board members appointed by the President.

(iii) Following the hearing, the committee shall decide whether or not the membership should be terminated, or the member suspended or sanctioned in some other way. This decision should be forwarded to the Board of Directors for the Board's final action related to termination of the membership.

## **Section 2.4 Transfer of Membership**

A member can't transfer their membership to another corporation. All rights of the member terminate upon dissolution or loss of capacity of a corporation or other business entity.

## **ARTICLE 3**

### **Meetings of Members**

#### **Section 3.1 Place of Meetings.**

Meetings of the membership shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, meetings of the members shall be held at the principal executive office of the corporation.

#### **Section 3.2 Annual Meeting.**

There shall be a regular meeting of the members on the second Wednesday of June each year, unless the Board of Directors fixes another date and so notifies the members as provided in Section 3.3. At the annual meeting, directors shall be elected as required by these Bylaws, reports of the affairs of the corporation shall be considered, and any other business may be transacted that is within the power of the members.

### Section 3.3 Notice of Annual Meeting.

Written notice of each annual meeting shall be given to each member entitled to vote, either personally, or by mail, or by other means of written or electronic communication, with charges prepaid, addressed to the member at the member's address appearing on the books of the corporation or given by the member to the corporation for the purpose of notice. If any notice or report addressed to the member at the address of the member appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the member at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the notices shall be available to the member upon written demand of the member at the principal executive office of the corporation for a period of one year from the date of the giving of the notice or report to all other members. If a member gives no address, notice shall be deemed to have been given to such member if sent by mail or other means of written communication addressed to the place where the principal executive office of the corporation is located, or if published at least once in a newspaper of general circulation in the county in which the principal executive office is located.

All such notices shall be given to each member entitled to the notice not less than ten (10) days (or, if sent by means other than first-class, registered, or certified mail, twenty (20) days) nor more than ninety (90) days before each annual meeting. Any such notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of giving of any such notice in accordance with the foregoing provisions, executed by the Secretary, Assistant Secretary or any transfer agent of the corporation, shall be *prima facie* evidence of the giving of the notice.

The notice of the meeting shall specify:

- (a) the place, date, and hour of the meeting;
- (b) those matters which the Board of Directors, at the time the notice is given, intends to present for action by the members;
- (c) if directors are to be elected, the names of all those who are nominees at the time the notice is given;
- (d) the general nature of a proposal, if any, to take action when approval of the members is required with respect to (i) removal of directors without cause; (ii) the filling of vacancies on the Board; (iii) amendment of the Articles of Incorporation; or (iv) voluntary dissolution of the corporation; and
- (e) such other matters, if any, as may be expressly required by law.

The only matters that may be voted upon at any annual or other regular meeting actually attended, in person or by proxy, by less than one-third of the voting power, are matters of which notice of the general nature was included in the notice of the meeting.



### **Section 3.4 Special Meetings.**

A special meeting of the members for any lawful purpose or purposes may be called at any time by the President, or by the Board of Directors. In addition, a special meeting of the members for the purpose of removal of directors and election of their replacements may be called by five percent (5%) or more of the members.

### **Section 3.5 Notice of Special Meetings.**

Upon request in writing that a special meeting of members be called, directed to the President, Vice-President, or Secretary by any person (other than the Board of Directors) entitled to call a special meeting of members, the officer forthwith shall cause notice to be given to the members entitled to vote that a meeting will be held at a time fixed by the Board, not less than thirty-five (35) nor more than ninety (90) days after the receipt of the request. If the notice is not given within twenty (20) days after the receipt of the request, the persons entitled to call the meeting may give the notice. Notice of any special meeting of members shall be given in the same manner as for annual meetings of members. In addition to the matters required by Section 3.3(a) and, if applicable, Section 3.3(c) of these Bylaws, notice of any special meeting shall specify the general nature of the business to be transacted, and the fact that no other business may be transacted at the meeting.

### **Section 3.6 Quorum.**

The presence of any member in person or by proxy of thirty percent (30%) of the members entitled to vote at any meeting of members shall constitute a quorum for the transaction of business. Any meeting of members, whether or not a quorum is present, may be adjourned from time to time by the vote of the holders of a majority of the votes present in person or represented by proxy and entitled to vote, but in the absence of a quorum no other business may be transacted at such meeting, except that the members present or represented by proxy 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 any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

### **Section 3.7 Adjourned Meeting and Notice.**

Except as provided below, when a members' meeting, either regular or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business that might have been transacted at the original meeting. However, no meeting may be adjourned for more than forty-five (45) days. If after adjournment a new record date is fixed for notice or voting, notice of the adjourned meeting shall be given to each member who on the record date for the adjourned meeting is entitled to vote at the adjourned meeting.

### **Section 3.8 Record Date.**

(a) The Board of Directors may fix a time or times in the future as a record date or dates for the purpose of determining the members entitled to notice of any meeting of members, to vote at such meeting, to cast written ballots with respect to corporate action, to receive any report, or to exercise rights in respect of any other lawful action. The record date so fixed with respect to those entitled to notice of a meeting shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting, and the record date so fixed for purposes of voting at a meeting, casting written ballots, receiving reports, or for any other purpose shall not be more than sixty (60) days prior to the date of the meeting, the date the first written ballot is mailed or solicited, or the date of any other action, as the case may be. When a record date is so fixed, only members of record at the close of business on that date are entitled to notice of and to vote at any such meeting, to cast written ballots, to receive any report, or to exercise other rights, as the case may be, notwithstanding any transfer of any membership on the books of the corporation after the record date, except as otherwise provided in the Articles of Incorporation, these Bylaws, or by law.

(b) If no record date is fixed by the Board of Directors:

(i) The record date for determining members entitled to notice of a meeting of members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the date on which the meeting is held.

(ii) The record date for determining members entitled to vote at a meeting of members shall be the day of the meeting.

(iii) The record date for determining members entitled to cast written ballots with respect to corporate action shall be the day the first written ballot is mailed or solicited.

(iv) The record date for determining members for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to the matter, or the 60th day prior to the date of such other action, whichever is later.

(c) A determination of members of record entitled to notice of or to vote at a meeting of members shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting; except that if the Board did not fix a record date for determining members entitled to vote at the initial meeting, the record date with respect to voting at the adjourned meeting shall be the day of the adjourned meeting.

### **Section 3.9 Voting.**

(a) Except as may be otherwise provided in the Articles of Incorporation or these Bylaws, each member entitled to vote shall be entitled to one vote on each matter submitted to a vote of the members

(b) Voting at a meeting of the members may be by voice vote or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a member at any election before the voting begins.

(c) If a quorum is present, the affirmative vote of the majority of the voting power represented and voting at the meeting (which affirmative vote also constitutes at least a majority of the required quorum) shall be the act of the members, unless the vote of a greater number or voting by classes is required by the California Nonprofit Corporation Law, the Articles of Incorporation, or these Bylaws. The term “voting power” for the purpose of these Bylaws shall mean the power to vote for the election of directors at any time any determination of voting power is made and does not include the right to vote upon the happening of some condition or event that has not yet occurred.

(d) In any election of directors, the candidates receiving the highest number of votes are elected, subject to any lawful provision specifying election by classes.

### **Section 3.10 Proxies.**

(a) Any member may authorize another person or persons to act by proxy with respect to such membership. “Proxy” means a written authorization signed by a member or a member’s attorney in fact giving another person or persons power to vote on behalf of such member. “Signed” for the purpose of this section means the placing of the member’s name on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the member or the member’s attorney in fact. Any proxy duly executed is not revoked and continues in full force and effect until (i) a written instrument revoking it is filed with the Secretary of the corporation prior to the vote pursuant to the proxy, (ii) a subsequent proxy executed by the person executing the prior proxy is presented to the meeting, (iii) the person executing the proxy attends the meeting and votes in person, or (iv) written notice of the death or incapacity of the maker of such proxy is received by the corporation before the vote pursuant to the proxy is counted; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed. No proxy may be irrevocable.

(b) In the event that the corporation has one hundred (100) or more members, any form of proxy distributed to ten (10) or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters, including any elections to office, intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited, and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter the vote shall be cast in accordance with such choice.

(c) In any election of directors, any form of proxy in which the directors to be voted upon are named as candidates and which is marked by a member “withhold” 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.

### **Section 3.11 Validation of Defectively Called or Noticed Meetings.**

The transactions of any meeting of members, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by these Bylaws or by the California Nonprofit Corporation Law to be included in the notice if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of members need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes of the meeting, unless otherwise provided in the Articles of Incorporation or these Bylaws, except the general nature of the proposals listed in Section 3.3(d) of these Bylaws must be specified, to the extent applicable, in any such waiver, consent, or approval.

### **Section 3.12 Approval by Written Ballot.**

(a) Subject to paragraph (e) below, any action that may be taken at any meeting of members, whether regular or special, may be taken without a meeting if the corporation distributes a written ballot to every member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the corporation. The written ballot may be distributed and counted electronically.

(b) Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) Ballots shall be solicited and counted in a manner consistent with the requirements of the first paragraph of Section 3.3 and of Section 3.10(c). All such solicitations shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted. In the event that the corporation has one hundred (100) or more members, any ballot distributed to ten (10) or more members shall conform and be subject to the requirements for proxies set forth in Section 3.10(b).

(d) Written ballots may not be revoked.

(e) Directors may be elected by written ballot except when cumulative voting for directors is authorized.

(f) The provisions of this section do not apply to a ballot distributed at a meeting of members.

### **Section 3.13 Action Without a Meeting.**

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

### **Section 3.14 Inspectors of Election.**

(a) In advance of any meeting of members, the Board of Directors may appoint inspectors of election to act at the meeting and any adjournment of the meeting. If inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairperson of any such meeting may, and on the request of any member or the holder of a member's proxy shall, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more members or holders of proxies, the majority of members represented in person or by proxy shall determine whether one or three inspectors are to be appointed. In the case of any action by written ballot (Section 3.13), the board may similarly appoint inspectors of election to act with powers and duties as set forth in this section.

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

(c) The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. If there are three inspectors of election, the decision, act, or certificate of a majority is effective in all respects as the decision, act, or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated in the report or certificate.

## ARTICLE 4

### **Board of Directors**

#### **Section 4.1 Powers.**

Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws relating to actions required to be approved by the members, the activities 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. The Board of Directors may delegate the management of the day-to-day operation of the business of the corporation to a management company, committee (however composed), or other person, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

#### **Section 4.2 Number of Directors.**

The authorized number of directors of the corporation shall not be less than three (3) nor more than twenty-one (21) until changed by amendment of the Articles of Incorporation or by a bylaw amending this Section 4.2 duly adopted by the members. The exact number of directors shall be fixed from time to time, within the limits specified in the Articles of Incorporation or in this Section 4.2, by the Board of Directors or the members. Directors who have an affiliation with other nonprofit corporations shall serve as individual directors and not as representatives of their respective nonprofit organizations.

A goal of the corporation shall be to have a majority of directors who live in households with household incomes that are below median income of the Sacramento MSA adjusted for household size within two years of the seating of the first board of directors.

A goal of the corporation is to have directors with expertise in the following: affordable housing, food security, health access, labor, neighborhood associations, environmental sustainability, impacted constituents, youth, students, neighborhood-based businesses, or transportation equity.

Subject to the above provisions for changing the number of directors, the authorized number of directors of the corporation shall be [thirteen] (13).

#### **Section 4.3 Restriction on Interested Directors.**

Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee or independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the corporation. In



addition, no person shall serve as a director who is running for an elected public office or who holds an elected public office.

#### **Section 4.4 Election and Term of Office.**

Except as provided below for the initial terms of the first directors, the term of office of each director of the corporation shall be three (3) years and until his or her successor has been elected and qualified. Successors for directors whose terms of office are then expiring shall be elected at the annual meeting of the members in the year such terms expire, but if any such annual meeting is not held or such directors are not elected at the meeting, the directors may be elected at any regular meeting of the members. A director may succeed himself or herself in office. The term of office for the directors shall be staggered so that approximately one third of the directors' terms expire each year.

No director shall serve for more than six consecutive years. After an absence of a year or more, a director may be elected for an additional term.

Directors elected by the members shall be nominated and elected in accordance with the procedures set forth in Article V of these Bylaws.

#### **Section 4.5 Vacancies and Removal.**

A vacancy in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director; (ii) the declaration by the Board of Directors of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, or has been convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty under Sections 5230 38 of the California Corporations Code dealing with standards of conduct for directors; (iii) an increase in the authorized number of directors; (iv) the failure of the members, at any annual or other regular meeting of members at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting; (v) the affirmative vote of the members to remove a director in accordance with the voting requirements of Section 5222 of the California Corporations Code; or (vi) a director who is deemed to have vacated their seat by missing three (3) meetings within a 12 month period, or three (3) consecutive meetings of the Board of Directors.

Vacancies in the Board of Directors, except for a vacancy created by the removal of a director, may be filled by a majority of the directors present at a meeting at which a quorum is present, or if the number of directors then in office is less than a quorum, (a) by the unanimous written consent of the directors then in office, (b) by the vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice in compliance with these Bylaws, or (c) by a sole remaining director. A vacancy in the Board of Directors created by the removal of a director may be filled only by the members. The members may elect a director at any time to fill a vacancy not filled by the directors. Each director appointed or elected to fill a vacancy shall hold office until his or her successor is elected at an annual or other regular meeting of the members. If a vacancy in the Board of Directors occurs due to a director missing three meetings consecutively or in a 12 month period, that director may petition the Board for

reinstatement and the board may reinstate after receiving evidence that the director will be able to consistently attend meetings of the Board of Directors throughout the rest of their term.

Any director may resign effective upon giving written notice to the President, the Secretary, or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, the successor may be elected to take office when the resignation becomes effective. Unless the California Attorney General is first notified, no director may resign when the corporation would then be left without a duly elected director or directors in charge of its affairs.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

#### **Section 4.6 Place of Meetings.**

Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by the Board. In the absence of such designation, the annual meeting shall be held at the place where the annual meeting of the members is held, and other regular meetings shall be held at the principal executive office of the corporation. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal executive office of the corporation.

#### **Section 4.7 Annual Meeting.**

Immediately following the annual meeting of members, the Board of Directors shall hold a regular meeting for the purpose of appointing officers of the corporation and otherwise organizing and for the transaction of other business. The annual meeting may be held without notice.

#### **Section 4.8 Other Regular Meetings.**

Other regular meetings of the Board of Directors shall be held at such times as are fixed by the Board of Directors. Such regular meetings may be held without notice.

#### **Section 4.9 Special Meetings.**

Special meetings of the Board of Directors for any purpose may be called at any time by the President, any Vice-President, the Secretary, or any two directors.

Written notice of the time and place of special meetings shall be delivered personally to each director or communicated to each director by telephone, telegraph, facsimile, electronic mail message, or mail, charges prepaid, addressed to the director at the director's address as it is shown upon the records of the corporation or, if it is not so shown on such records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held. In case such notice is mailed, it shall be deposited in the United States mail at least four (4) days prior to the time of the holding of the meeting. In case such notice is delivered, personally or by telephone, telegraph, facsimile or electronic mail message, it shall be so delivered at least forty-



eight (48) hours prior to the time of the holding of the meeting. Any such transmission of notice, as above provided, shall be due, legal and personal notice to such director. As used herein, notice by telephone shall be deemed to include a voice messaging system or other system or technology designed to record and communicate messages to the recipient, including the recipient's designated voice mailbox or address on such a system.

Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals may be made electronically and shall be filed with the corporate records or made a part of the minutes of the meeting.

#### **Section 4.10 Action at a Meeting: Quorum and Required Vote.**

(a) Presence of a majority of the authorized number of directors at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws.

(b) Every act done or decision 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, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by the Articles of Incorporation, these Bylaws, or the California Nonprofit Corporation Law.

(c) A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting, subject to any applicable requirements for approval by a greater number or a disinterested majority.

(d) Members of the Board of Directors may participate in a meeting through use of conference telephone or similar communications equipment, as long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this subsection (d) constitutes presence in person at such meeting.

#### **Section 4.11 Adjourned Meeting and Notice.**

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 any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

#### **Section 4.12 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 shall individually or collectively consent in writing to such action. Such written consent or consents may be electronic and 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. For purposes of this section only, “all members of the Board” does not include any “interested directors” as defined in Section 5233 of the California Corporations Code.

#### **Section 4.13 Fees and Compensation.**

Directors and members of committees may receive no compensation for their services but may receive such reasonable reimbursement for expenses as may be fixed or determined by resolution of the Board of Directors.

### **ARTICLE 5**

#### **Certain Director Election Procedures**

##### **Section 5.1 Nominating Committee.**

In accordance with the requirements of Article VI relating to committees of directors, the Board of Directors shall appoint a committee of directors to select qualified candidates for election to the Board of Directors at least thirty (30) days before the date of any election of directors by the members. The committee shall make its report at least fourteen ([14) days before the date of the election, and the Secretary of the corporation shall forward to each member, with the notice of meeting required by Section 3.3 of these Bylaws, a list of candidates so nominated along with the names of any persons duly nominated by the members as of that time.

##### **Section 5.2 Nominations by Members.**

Members may nominate candidates for directorships at any time before the end of the fourteenth day preceding such election or, if directors are to be elected by written ballot pursuant to Section 3.12 of these Bylaws, preceding the printing of the written ballots. On timely receipt of a petition signed by members, the Secretary shall cause the names of the candidates named on it to be placed on the ballot along with those candidates named by the nominating committee.

##### **Section 5.3 Nominations from the Floor.**

If there is a meeting to elect directors, any member present at the meeting in person or by proxy may place names in nomination.

##### **Section 5.4 Mailing Election Material.**

On written request by any nominee for election to the Board of Directors and accompanying payment of the reasonable costs of mailing (including postage), the corporation shall, within ten (10) business days after the request (provided payment has been made), mail to all members, or such portion of them as the nominee may reasonably specify, any material that the nominee may furnish and that is reasonably related to the election, unless the corporation within five (5) business days after the request allows the nominee, at the corporation’s option, the rights set forth in subparagraph (i) or (ii) of paragraph (a) of Section 11.2.

**Section 5.5 Refusal to Publish or Mail Material.**

The corporation may not decline to publish or mail material that it is otherwise required by these Bylaws to publish or mail on behalf of any nominee, on the basis of the content of the material, except that the corporation or any of its agents, officers, directors, or employees may seek a court order allowing them to delete material that the court finds will expose the moving party to liability. The nominee on whose behalf such material was published or mailed shall be liable and shall indemnify and hold harmless the corporation, its agents, officers, directors, and employees and each of them against and from all demands, costs, including reasonable legal fees and expenses, claims, damages, and causes of action arising out of such material or any such mailing or publication.

**Section 5.6 Use of Corporate Funds to Support Nominee.**

Without authorization of the Board of Directors, no corporate funds may be expended to support a nominee for director after there are more people nominated for director than can be elected.

**ARTICLE 6**

**Committees**

**Section 6.1 Committees of Directors.**

The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. Any such committee, to the extent provided in the resolution of the Board of Directors or in these Bylaws, shall have all the authority of the Board of Directors, except that no committee, regardless of Board resolution, may:

- (a) Approve any action that, under the California Nonprofit Corporation Law, also requires the affirmative vote of the members of a public benefit corporation.
- (b) Fill vacancies on the Board of Directors or in any committee that has the authority of the Board.
- (c) Fix compensation of the directors for serving on the Board or on any committee.
- (d) Amend or repeal bylaws or adopt new bylaws.
- (e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.

(f) Appoint any other committees of the Board of Directors or the members of such committees.

(g) Expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected.

(h) Approve any transaction between the corporation and one or more of its directors in which the director or directors have a material financial interest, except as provided by Section 5233 of the California Corporations Code.

## **Section 6.2 Audit Committee**

If the corporation (i) is required to file reports with the California Attorney General pursuant to Section 12586 of the California Government Code and (ii) receives or accrues in any fiscal year gross revenue of two million dollars (\$2,000,000) or more, exclusive of grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received, the corporation shall do the following:

The Board of Directors shall, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate an Audit Committee. The Audit Committee may include persons who are not members of the Board of Directors, but the member or members of the Audit Committee shall not include any members of the staff, including the President or Chief Executive Officer and the Treasurer. If the corporation has a Finance Committee, it must be separate from the Audit Committee. Members of the Finance Committee may serve on the Audit Committee; however, the chairperson of the Audit Committee may not be a member of the Finance Committee and members of the Finance Committee shall constitute less than one-half of the membership of the Audit Committee.

Members of the Audit Committee shall not receive any compensation from the corporation in excess of the compensation, if any, received by members of the Board of Directors for service on the Board and shall not have a material financial interest in any entity doing business with the corporation. Subject to the supervision of the Board of Directors, the Audit Committee shall be responsible for recommending to the Board of Directors the retention and termination of the independent auditor and may negotiate the independent auditor's compensation, on behalf of the Board of Directors. The Audit Committee shall confer with the auditor to satisfy its members that the financial affairs of the corporation are in order, shall review and determine whether to accept the audit, shall assure that any non-audit services performed by the auditing firm conform with standards for auditor independence referred to in Section 12586(e)(1) of the California Government Code, and shall approve performance of non-audit services by the auditing firm. If the corporation is under the control of another corporation, the Audit Committee may be part of the Board of Directors of the controlling corporation.

## **Section 6.3 Committees That Include Other Than Board Members.**

The Board of Directors may, by resolution, designate one or more advisory committees whose members need not be composed entirely of Board members. Such committees shall not have the authority of the Board to make decisions on behalf of this corporation, but shall be

restricted to making recommendations to the Board or Board committee, and implementing Board or Board committee decisions and policies under the supervision and control of the Board or a Board committee. However, the Board may delegate powers to any such committee as provided for in Section 4.1 of these Bylaws, except that the Board may not delegate any of the powers enumerated in Section 6.1.

#### **Section 6.4 Meetings and Actions of Committees.**

Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Section 4.6 through Section 4.12 of these Bylaws, concerning meetings and actions of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

### **ARTICLE 7**

#### **Officers**

##### **Section 7.1 Officers.**

The officers of the corporation shall consist of the President, the Secretary, and the Treasurer, and each of them shall be appointed by the Board of Directors. The corporation may also have one or more Vice-Presidents, one or more Assistant Secretaries and Assistant Treasurers, and such other officers as may be appointed by the Board of Directors, or with authorization from the Board of Directors by the President or some other officer. The order of seniority of the Vice-Presidents shall be in the order of their nomination, unless otherwise determined by the Board of Directors. The Board of Directors shall designate one officer as the Treasurer of the corporation. Any two or more offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President. The Board of Directors may appoint, and may empower the President or another officer to appoint, such other officers as the activities of the corporation may require, each of whom shall have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

All officers of the corporation shall hold office from the date appointed to the date of the next succeeding annual meeting of the Board of Directors, and until the successors to such officers are elected and qualified; provided that all officers, as well as any other employee or agent of the corporation, may, subject to any claim for breach of contract based on any contractual arrangements between any such person and the corporation, be removed at any time at the pleasure of the Board of Directors, or, except in the case of an officer chosen by the Board

of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors, and upon the removal, resignation, death, or incapacity of any officer, the Board of Directors, or the President or another officer in cases where the President or another officer has been vested by the Board of Directors with power to appoint, may declare such office vacant and fill such vacancy.

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the corporation, without prejudice, however, to the rights, if any, of the corporation under any contract to which such officer is a party. Any resignation shall take effect on the date of the receipt of such notice or at any later time specified in the resignation; and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective.

The salary and other compensation of the officers shall be fixed from time to time by resolution of or in the manner determined by the Board of Directors. The Board of Directors or an authorized committee of the Board of Directors shall, in compliance with Section 12586(g) of the California Government Code, review and approve the compensation, including benefits, of the President or Chief Executive Officer and the Treasurer to assure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees. If the corporation is affiliated with other charitable corporations, review and approval may be obtained from the Board, or an authorized committee of the Board, of the charitable corporation that makes retention and compensation decisions regarding a particular individual.

### **Section 7.2 Duties of the President.**

Subject to such supervisory powers of the Board of Directors, the President shall be the general manager and chief executive officer of the corporation and shall perform all the duties commonly incident to that office. The President shall preside at all meetings of the members and at all meetings of the Board of Directors. Except as provided in Section 9.1, the President shall have authority to execute in the name of the corporation all bonds, contracts, deeds, leases, and other written instruments to be executed by the corporation, and shall perform such other duties as the Board of Directors may from time to time determine.

### **Section 7.3 Duties of Vice-Presidents.**

The Vice-Presidents (if there be such officers appointed), in the order of their seniority unless otherwise established by the Board of Directors, may assume and perform the duties of the President in the absence or disability of the President or whenever the office of the President is vacant. The Vice-Presidents shall have such titles, perform such other duties, and have such other powers as the Board of Directors or the President shall designate from time to time.



#### **Section 7.4 Duties of the Secretary and Assistant Secretaries.**

The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place as the Board of Directors may order, a book of minutes of actions taken at all meetings of directors, committees, and members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such director and committee meetings, the number of votes present or represented at members' meetings, and the proceedings of all such meetings.

The Secretary shall keep, or cause to be kept, at the principal executive office a record of the members of the corporation, showing the names of all members, their addresses, and the class of membership held by each.

The Secretary shall give, or cause to be given, notice of all the meetings of the members, of the Board of Directors, and of the committees of this corporation required by these Bylaws or by law to be given, shall keep the seal of the corporation (if any) in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

#### **Section 7.5 Duties of the Treasurer and Assistant Treasurers.**

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

If required by the Board of Directors, the Treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the Treasurer's office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in the Treasurer's possession or under the Treasurer's control on the Treasurer's death, resignation, retirement, or removal from office.

The President may direct any Assistant Treasurer to assume and perform the duties of the Treasurer in the absence or disability of the Treasurer, and each Assistant Treasurer shall

perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

## ARTICLE 8

### **Indemnification of Directors, Officers, Employees, and Other Agents of the Corporation; Purchase of Liability Insurance**

(a) For the purposes of this article, “agent” means any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative;

(b) “Expenses” include without limitation attorneys’ fees and any expenses of establishing a right to indemnification under paragraph (c) or paragraph (d)(iii) of this article.

(c) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Corporations Code, or an action brought by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent or member of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

(d) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the corporation to procure a judgment in its favor, or brought under Section 5233, or brought by the Attorney General for breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person



in a like position would use under similar circumstances. No indemnification shall be made under this paragraph (c):

(i) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses that such court shall determine;

(ii) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(iii) Of expenses incurred in defending a threatened or pending action that is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

(e) To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in paragraph (b) or (c) or in defense of any claim, issue, or matter in the proceeding, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the proceeding.

(f) Except as provided in paragraph (d), any indemnification under this article shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in paragraph (b) or (c), by:

(i) A majority vote of a quorum consisting of directors who are not parties to such proceeding;

(ii) Approval or ratification by the affirmative vote (or written ballot in accordance with Section 3.12 of these Bylaws) of a majority of the votes represented and voting at a duly held membership meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum); for such purpose, any membership held by the person to be indemnified shall not be considered outstanding or entitled to vote on the matter; or

(iii) The court in which such proceeding is or was pending upon application made by the corporation, the agent, or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the corporation.

(g) Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this article.

(h) Nothing contained in this article shall affect any right to indemnification to which persons other than directors and officers of the corporation or any subsidiary of the corporation may be entitled by contract or otherwise.

(i) No indemnification or advance shall be made under this article, except as provided in paragraph (d) or paragraph (e)(iii), in any circumstance when it appears:

(i) That it would be inconsistent with a provision of the Articles of Incorporation, a resolution of the members, 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

(ii) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

(j) Upon and in the event of a determination by the Board of Directors of the corporation to purchase indemnity insurance, the corporation shall purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this article; provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233.

(k) This article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in paragraph (a). The corporation shall have the power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California Corporations Code.

## **ARTICLE 9**

### **Execution of Corporate Instruments, and Voting of Stocks and Memberships Held by the Corporation**

#### **Section 9.1 Execution of Corporate Instruments.**

The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the corporation.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the corporation, and other corporate instruments or

documents, and certificates of shares of stock owned by the corporation, shall be executed, signed, or endorsed by the President.

All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation, or in special accounts of the corporation, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

### **Section 9.2 Ratification by Members.**

The Board of Directors may, in its discretion, submit any contract or act for approval or ratification of the members at any regular meeting of members, or at any special meeting of members called for that purpose; and any contract or act that shall be approved or ratified by the holders of a majority of the voting power of the corporation shall be as valid and binding upon the corporation and upon the members as though approved or ratified by each and every member of the corporation, unless a greater vote is required by these Bylaws or by law for such purpose.

### **Section 9.3 Voting of Stocks Owned by Corporation.**

All stock of other corporations or memberships in other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect to such stock or memberships shall be executed, by the person authorized to do so by resolution of the Board of Directors, or in the absence of such authorization, by the President, or any Vice-President or by any other person authorized to do so by the Chairperson of the Board, the President, or any Vice-President.

## **ARTICLE 10**

### **Reports**

#### **Section 10.1 Section 10.1 Annual Report.**

Except as provided below, the corporation shall cause an annual report to be sent to its members and to its directors no later than 120 days after the close of its fiscal year. If approved by the Board of Directors, such report and any accompanying material may be sent by electronic transmission, which shall include delivery by facsimile, electronic mail, posting on a designated website with a separate notice to the recipients of the posting or other means of electronic communication to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications. Such annual report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

(e) Any information required by Section 6322 of the California Corporations Code.

The report shall be accompanied by any pertinent report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

This article does not apply to the corporation when it receives less than twenty-five thousand dollars (\$25,000) in gross revenues or receipts during the fiscal year, with the exceptions that a report meeting the above requirements must be furnished annually to all directors and to any member who requests it in writing and that the information referred to in paragraph (e) above must be furnished to all members and directors within 120 days after the close of the corporation's fiscal year.

If the corporation solicits in writing contributions from five hundred (500) or more persons, it need not send the report described above to members, with the exception of the information referred to in paragraph (e) above, if it:

(i) Includes with any written material used to solicit contributions a written statement that its latest annual report will be mailed upon request and that such request may be sent to the corporation at a name and address which is set forth in the statement;

(ii) Promptly mails a copy of its latest annual report to any person who requests a copy; and

(iii) Causes its annual report to be published not later than 120 days after the close of its fiscal year in a newspaper of general circulation in the county in which its principal office is located.

## **Section 10.2 Audited Financial Statements.**

If the corporation (i) is required to file reports with the California Attorney General pursuant to Section 12586 of the California Government Code and (ii) receives or accrues in any fiscal year gross revenue of two million dollars (\$2,000,000) or more, exclusive of grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received, the corporation shall do the following:

(a) Prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant in conformity with generally accepted auditing standards. For any non-audit services performed by the firm conducting the audit, the firm and its individual auditors shall adhere to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States (the Yellow Book) and any standards prescribed by the

California Attorney General for auditor independence in the performance of non-audit services, including standards different from those set forth in the Yellow Book. If the corporation is under the control of another organization, the controlling organization may prepare a consolidated financial statement. The audited financial statements shall be available for inspection by the California Attorney General and by members of the public no later than nine months after the close of the fiscal year to which the statements relate. If the corporation is a charity, it shall make its annual audited financial statements available to the public in the same manner that is prescribed for IRS Form 990 by the latest revision of Section 6104(d) of the Internal Revenue Code and associated regulations.

If the corporation is required to file reports with the California Attorney General pursuant to Section 12586 of the California Government Code and, independent of the audit requirement set forth in Section 12586(e)(1) of the California Government Code, it prepares financial statements that are audited by a certified public accountant, the audited financial statements shall be available for inspection by the California Attorney General and shall be made available to members of the public in conformity with Section 12586(e)(1) of the California Government Code.

## **ARTICLE 11**

### **Maintenance and Inspection of Corporate Records**

#### **Section 11.1 Maintenance and Inspection of Articles and Bylaws.**

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in California, the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in California, the Secretary shall, on the written request of any member, furnish to that member a copy of the Articles of Incorporation and Bylaws as amended to date.

#### **Section 11.2 Access to Membership List.**

(a) Subject to paragraphs (b) and (c) of this section, and unless the corporation provides a reasonable alternative pursuant to this paragraph (a), a member may do either or both of the following as permitted by this paragraph:

(i) Inspect and copy the record of all the members' names, addresses, and voting rights, at reasonable times, upon five (5) business days' prior written demand upon the corporation, which demand shall state the purpose for which the inspection rights are requested; or

(ii) Obtain from the Secretary of the corporation, upon written demand and tender of a reasonable charge, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has

been compiled or as of a date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified in the demand as the date as of which the list is to be compiled.

The rights set forth in this paragraph may be exercised by:

(1) Any member, for a purpose reasonably related to such person's interest as a member. When the corporation reasonably believes that the information will be used for another purpose, or when it provides a reasonable alternative pursuant to this paragraph, it may deny the member access to the list.

(2) The authorized number of members (as defined in Section 5036 of the California Corporations Code) for a purpose reasonably related to the members' interest as members.

(b) The corporation may, within ten (10) business days after receiving a demand under this Section 11.2, deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in the demand without providing access to or a copy of the membership list. An alternative method that reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made under this paragraph, such as an offer to mail promptly any material, shall be deemed a reasonable alternative, unless within a reasonable time after acceptance of the offer the corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the corporation does not meet the proper purpose of the demand made pursuant to this paragraph.

(c) Pursuant to Section 6331 of the California Nonprofit Corporation Law, the corporation may petition the Superior Court of the proper county for an order setting aside the demand for the membership list.

### **Section 11.3 Maintenance and Inspection of Other Corporate Records.**

The accounting books, records, and minutes of proceedings of the members and the Board of Directors and any committees of the corporation shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form.

The minutes and accounting books and records shall be open to inspection on the written demand of any member at any reasonable time for a purpose reasonably related to the member's interests as a member.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations.

#### **Section 11.4 Inspection by Agents.**

Any inspection provided for under this Article XI may be made in person or by agent or attorney and includes the right to copy and make extracts. Any right of inspection also extends to the records of each subsidiary of the corporation.

#### **Dissolution Clause**

In the event the Corporation should be dissolved, any assets remaining following the payment of debt and the satisfaction of liabilities shall be made to a qualified charitable corporation subject to the restriction of section 501©(3) of the Internal Revenue Code for tax exempt purposes in the furtherance of its education, research and advocacy objectives.

### **ARTICLE 12**

#### **Amendments**

#### **Section 12.1 Power of Members.**

New bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) or written ballot in conformity with Section 3.12, above.

#### **Section 12.2 Power of Directors.**

Subject to the right of the members as provided in Section 12.1 to adopt, amend, or repeal these Bylaws, and subject to limitations in the Nonprofit Corporation Law on the powers of directors to adopt, amend, or repeal bylaws relating to certain matters, these Bylaws may be adopted, amended, or repealed by the Board of Directors.

### **ARTICLE 13**

#### **Standard of Care**

A director shall perform the duties of a director, including duties as a member of any Board committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:



(a) one or more officers or employees of the corporation whom the director believes to be reliable and competent as to the matters presented;

(b) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(c) a Board committee upon which the director does not serve, as to matters within its designated authority, provided that the director believes such committee merits confidence; so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article XIV below, a person who performs the duties of a director in accordance with this Article XIII shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

## **ARTICLE 14**

### **Prohibited Transactions**

#### **Section 14.1 Loans.**

Except as permitted by Section 5236 of the California Corporations Code, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

#### **Section 14.2 Self-Dealing Transactions.**

Except as provided in Section 14.3, below, the Board of Directors shall not approve or permit the corporation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which this corporation is a party and in which one or more of its directors has a material financial interest, unless the transaction is described in California Corporations Code Section 5233(b).

#### **Section 14.3 Approval.**

This corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This corporation also may engage in a self-dealing transaction if the Board determines, before the transaction, that (1) this corporation is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to this corporation at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the



circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the director or directors in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

## **ARTICLE 15**

### **Construction and Definitions**

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term “person” includes a corporation as well as a natural person.

**CERTIFICATE OF SECRETARY**

I, the undersigned, certify that I am the currently elected and acting Secretary of \_\_\_\_\_, a California nonprofit corporation, and the above Bylaws, consisting of \_\_\_ pages, are the Bylaws of this corporation as adopted at a meeting of the \_\_\_\_\_ held on \_\_\_\_\_, 20\_\_.

Dated: \_\_\_\_\_, 20\_\_.

Executed at \_\_\_\_\_

\_\_\_\_\_  
Secretary