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Adopted \_\_\_\_\_, 2013

**BY-LAWS**  
**OF**  
**FLOODPLAIN MANAGEMENT ASSOCIATION**

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**FOR BY-LAWS OF**  
**FLOODPLAIN MANAGEMENT ASSOCIATION**

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References to [Corp Code §\_\_\_ ] refer to the California Corporations Code section which is the source of, or authority for, all or part of that particular section of the By-Laws.

**BY-LAWS**  
**OF**  
**FLOODPLAIN MANAGEMENT ASSOCIATION**  
**A California Nonprofit Public Benefit Corporation**

**ARTICLE 1**

**Purposes; Objectives and Activities; Offices**

**SECTION 1.1 GENERAL PURPOSES.** The Corporation is a nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public purposes.

**SECTION 1.2 SPECIFIC PURPOSES.** (a) Specifically, the Corporation is organized and shall at all times be operated exclusively for civic purposes, including the promotion of social welfare, or such other purposes as may be provided in section 501(c)(4) of the Internal Revenue Code of 1986, as amended (or corresponding provisions of subsequent federal tax laws) (the "Code").

(b) In furtherance of the purposes set forth in Section 1.1 and Section 1.2(a), the Corporation is organized to promote the common interest in reducing flood losses and to encourage the protection and enhancement of natural floodplain values.

**SECTION 1.3 OBJECTIVES AND ACTIVITIES.** Consistent with the general and specific purposes, and subject to the limitations, set forth in the Articles of Incorporation of the Corporation and these By-Laws, the objectives and activities of the Corporation shall include, but are not limited to, engaging elected officials, public agencies and other stakeholders to improve flood safety and protect floodplain resources through effective dialogue, collaboration, education, legislation and policy. The foregoing objectives and activities shall be construed broadly in any analysis of the permissibility of an activity pursuant to these By-Laws.

**SECTION 1.4 OFFICES.** The principal office of the Corporation is hereby fixed and located in San Diego County, State of California. The location may be changed by approval of the Board of Directors (herein "Board"), and additional offices may be established and maintained at such other place or places, either within or without California, as the Board may from time to time designate.

## **ARTICLE 2**

### **Limitations**

**SECTION 2.1 DEDICATION OF ASSETS; INUREMENT OF EARNINGS.** The assets of the Corporation are irrevocably dedicated to civic purposes, including the promotion of social welfare, or such other purposes as may be provided in section 501(c)(4) of the Code. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its directors, officers, members, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation and reimburse expenses for services rendered to the Corporation.

**SECTION 2.2 PROHIBITED ACTIVITIES.** Notwithstanding any other provision of these By-Laws, the Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity, that would adversely affect its status as an organization described in section 501(c)(4) of the Code.

**SECTION 2.3 DISSOLUTION.** Upon the dissolution or winding up of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed, transferred or conveyed to one or more nonprofit organizations, each of which has established its tax exempt status under section 501(c)(3) or section 501(c)(4) of the Code, as the directors of the Corporation shall determine.

## **ARTICLE 3**

### **Membership**

**SECTION 3.1 IN GENERAL.** Subject to application, admission, dues, fees, assessments and other requirements, voting membership in the Corporation shall consist of individuals, agencies and organizations subscribing to the purposes, objectives and activities set forth in Article 1 of these By-Laws. The Corporation may also authorize other classes of membership although the members of such classes shall not constitute members within the meaning of California Corporations Code Section 5056. Each member, upon acceptance, shall be assigned to one of the membership classifications established or authorized by these By-Laws. [Corp Code §§ 5056, 5151, 5330, 5332]

**SECTION 3.2 CLASSES AND QUALIFICATIONS.** Subject to application, admission, dues, fees, assessments and other requirements and the determination of the Board, there shall be four (4) classes of members as set forth below, with qualifications for membership as described or referred to as follows or as may be set forth in the Board Manual:

(a) **Individual Members**, upon acceptance for membership by the Board of Directors, shall be those individuals paying the dues set for the Individual Member category.

**(b) Organizational Members**, upon acceptance for membership by the Board of Directors, shall be those representatives of agencies, departments or subdivisions of general or special purpose government agencies, and firms, corporations and other businesses paying the dues set for the Organizational Member category. Three representatives shall be designated to receive full member benefits. All other employees of an Organizational Member working at the same location as the designated representatives may join at a reduced member rate.

**(c) Student Members**, upon acceptance for membership by the Board of Directors, shall be those individuals who are engaged on more than a one-half time basis as a student in a post-secondary accredited educational institution and who pay the dues set for the Student Member category.

**(d) Honorary Members**, upon acceptance for membership by the Board of Directors, shall include individuals voted to that category of membership by the Board of Directors in recognition of that person's outstanding service to the public in the field of floodplain management and/or service to the Corporation. Honorary Membership does not relieve an active Individual Member from the payment of dues, registration fees or other costs associated with participation in the Corporation.

**SECTION 3.3 VOTING AND OTHER RIGHTS.** Only members as referred to in Section 3.2 above shall have the right to vote for the election of directors as set forth in these By-Laws and on such other matters to the extent required by the California Corporations Code, including without limitation on disposition of all or substantially all of the Corporation's assets other than in the usual and regular course of the Corporation's activities, on the principal terms of a merger of the Corporation and any changes in such principal terms and on an election to dissolve the Corporation. No other classes of members shall have any right to vote. The other rights, privileges, benefits, preferences, restrictions and/or conditions of membership shall be as determined by the Board of Directors and/or as set forth in the Board Manual. [Corp Code §§5056, 5057, 5151, 5330, 5331, 5332, 5610, 5911, 5912, 6012, 6015 and 6610]

**SECTION 3.4 REFERENCES TO MEMBERS.** The Corporation, in these By-Laws or elsewhere, may refer to nonvoting members or other persons or entities associated with the Corporation as "members," even though members of that class of membership or other persons or entities are not voting members as set forth in these By-Laws, but no such reference shall constitute anyone as a member within the meaning of California Corporations Code Section 5056 unless qualified as a voting member as set forth in these By-Laws. [Corp Code §§5056 and 5332]

**SECTION 3.5 DUES, FEES AND ASSESSMENTS.** The Corporation may levy such dues upon its members as determined by the Board or a committee authorized by the Board and may also charge fees and assessments. Each member must

pay, within the time periods and on the conditions set by the Corporation, such dues, fees and assessments. [Corp Code §§ 5151, 5351]

**SECTION 3.6 ADMISSION TO MEMBERSHIP.** The procedures for admission to membership shall be as determined by the Board or a committee authorized by the Board and/or as may be set forth in the Board Manual. [Corp Code § 5151(d)]

**SECTION 3.7 TERMINATION OF MEMBERSHIP.** A membership shall terminate on occurrence of any of the following events:

(a) Resignation of the member in writing (with all fees, charges and dues owing by the resigning member remaining due and payable and with no refund of paid dues or fees for unused services);

(b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;

(c) The member's failure to pay dues, fees, or assessments as set by the Board within a designated period of time after they are due and payable;

(d) Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or

(e) Termination of membership under Section 3.9 of these By-Laws based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests. [Corp Code §§ 5151(d), 5340, 5341]

**SECTION 3.8 SUSPENSION OF MEMBERSHIP.** A member may be suspended, under Section 3.9 of these By-Laws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests. A person whose membership is suspended shall not be a member during the period of suspension. [Corp Code § 5341]

**SECTION 3.9 PROCEDURES FOR TERMINATION OR SUSPENSION OF MEMBERSHIP.** If grounds appear to exist for suspending or terminating a member under Section 3.7 or 3.8 of these By-Laws, the following procedure shall be followed:

(a) The Corporation shall give the member at least 15 days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or

termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the Corporation's records.

(b) The member shall be given an opportunity to be heard, either orally or in writing, at least five days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the suspension or termination should occur.

(c) The Board, committee, or person shall decide whether the member's membership should be terminated, or whether the member should be suspended or otherwise sanctioned in any way. The decision of the Board, committee, or person shall be final.

(d) Any action challenging a termination of membership, suspension or other sanction, including a claim alleging defective notice, must be commenced within one year after the date of the suspension or termination. [Corp Code § 5341]

## **ARTICLE 4**

### **Meetings of Members**

**SECTION 4.1 ANNUAL/REGULAR MEETINGS.** Annual or other regular meetings of members shall be held on such dates and at such times as may be fixed by the Board of Directors. [Corp Code § 5510]

**SECTION 4.2 PLACE OF MEETINGS; ELECTRONIC PARTICIPATION.** (a) Meetings of members shall be held at any place within or outside California designated by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Corporation's principal office. [Corp Code § 5510]

(b) If authorized by the Board in its sole discretion, and subject to the requirement of consent in clause (b) of the first sentence of Section 10.4 and those guidelines and procedures as the Board may adopt, members not physically present in person (or, if proxies are allowed, by proxy) at a meeting of members may, by electronic transmission by and to the Corporation (Sections 10.4 and 10.5) or by electronic video screen communication, participate in a meeting of members, be deemed present in person (or, if proxies are allowed, by proxy), and vote at a meeting of members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the Corporation or by electronic video screen communication, in accordance with subsection (c) below. [Corp Code § 5510]

(c) A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the Corporation or by electronic video screen communication (1) if the Corporation implements reasonable measures to provide members in person (or, if proxies are allowed, by proxy) a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any member votes or takes other action at the meeting by means of electronic transmission to the Corporation or electronic video screen communication, a record of that vote or action is maintained by the Corporation. Any request by the Corporation to a member pursuant to clause (b) of the first sentence of Section 10.4 for consent to conduct a meeting of members by electronic transmission by and to the Corporation, shall include a notice that absent consent of the member pursuant to clause (b) of Section 10.4, the meeting shall be held at a physical location in accordance with subsection (a) above. [Corp Code § 5510]

**SECTION 4.3 SPECIAL MEETINGS.** The Board or the Chair of the Board (Chair) or five percent (5%) or more of the voting members may call a special meeting of the members for any lawful purpose. A special meeting called by any person entitled to call a meeting (other than the Board) shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chair or the Vice-Chair or the Secretary of the Corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote as provided in these By-Laws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least 35 but no more than 90 days after receipt of the request. If the notice is not given within 20 days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board. No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting. [Corp Code §§ 5510, 5511]

**SECTION 4.4 NOTICE OF MEETINGS.** (a) Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to each member entitled to vote at that meeting. The notice shall specify the place, date, and time of the meeting and the means of electronic transmission by and to the Corporation (Sections 10.4 and 10.5) or electronic video screen communication, if any, by which members may participate in that meeting. Subject to By-Laws Section 4.5 below, for the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

(b) Notice of any meeting of members shall be in writing and shall be given at least 10 but no more than 90 days before the meeting date. The notice shall be given either



personally, by electronic transmission by the Corporation, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member as it appears on the books of the Corporation or at the address given by the member to the Corporation for purposes of notice. If no address appears on the Corporation's books and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail or facsimile or other written communication to the Corporation's principal office or (ii) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located. Notice given by electronic transmission by the Corporation under this subsection shall be valid only if it complies with Section 10.4. Notwithstanding the foregoing, notice shall not be given by electronic transmission by the Corporation under this subsection after either of the following: (1) The Corporation is unable to deliver two consecutive notices to the member by that means. (2) The inability to so deliver the notices to the member becomes known to the Secretary, any assistant secretary or any other person responsible for the giving of the notice.

(c) An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the Secretary or assistant secretary of the Corporation, and if so executed, shall be filed and maintained in the Corporation's minute book. [Corp Code § 5511]

**SECTION 4.5 QUORUM.** Ten Percent (10%) of the voting power, represented in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of members. Since, as indicated in the preceding sentence, these By-Laws authorize the Corporation to conduct a meeting with a quorum of less than one-third of the voting power, then the only matters that may be voted upon at any annual meeting actually attended, in person or by proxy, by less than one-third of the voting power are matters for which notice of their general nature was given under Section 4.4(a) of these Bylaws. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn 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. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Corporation Law or by the Articles of Incorporation. [Corp Code §§ 5511(a), 5512]

**SECTION 4.6 WAIVER OF NOTICE OR CONSENT.** (a) The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if a quorum is present either in person or by proxy, and if either before or after the meeting, each member entitled to vote, not present in person or by proxy, 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, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(b) A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting. [Corp Code § 5511(e)]

**SECTION 4.7 ACTION BY UNANIMOUS WRITTEN CONSENT.**

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 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 a unanimous vote of the members. [Corp Code § 5516]

**SECTION 4.8 ACTION BY WRITTEN BALLOT.** Any action that members may take at any meeting of members, including, without limitation, election of directors, may also be taken without a meeting by complying with this section of these By-Laws, as follows:

(a) This Corporation shall distribute one written ballot to each member entitled to vote on the matter. If approved by the Board, that ballot and any related material may be sent by electronic transmission by the Corporation (Section 10.4) and responses may be returned to the Corporation by electronic transmission to the Corporation (Section 10.5). All solicitations of votes by written ballot shall (i) state the number of responses needed to meet the quorum requirement; (ii) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (iii) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (A) set forth the proposed action; (B) give the members an opportunity to specify approval or disapproval of each proposal; and (C) provide a reasonable time in which to return the ballot to the Corporation. If the Corporation has 100 or more members, any written ballot distributed to ten or more members shall provide that, subject to reasonable specified conditions, if the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification.

(b) In any election of directors, a written ballot that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

(c) Approval by written ballot shall be valid only when (i) the number of votes cast by ballot (including ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approvals equals or

exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting. A written ballot may not be revoked. [Corp Code §§ 5513, 5514]

**SECTION 4.9 RECORD DATE.** (a) For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board of Directors may, in advance, fix a record date in accordance with Corporations Code Section 5611. [Corp Code § 5611]

(b) If not otherwise fixed by the Board, the record date for determining members entitled to receive notice of a meeting of members shall be the business day preceding the day on which notice is given or, if notice is waived, the business day preceding the day on which the meeting is held. If not otherwise fixed by the Corporation, the record date for determining members entitled to vote at the meeting shall be the day on which the meeting is held. If not otherwise fixed by the Corporation, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited. If not otherwise fixed by the Board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later. A person holding a membership at the close of business on the record date shall be a member of record. [Corp Code § 5611]

**SECTION 4.10 PROXIES.** (a) Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the Corporation. A proxy shall be deemed signed if the member's name is placed on the proxy by the member or the member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission, or otherwise. [Corp Code § 5069]

(b) If the Corporation has 100 or more members, any form of proxy distributed to 10 or more members shall give the member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In an election of directors, any form of proxy that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

(c) Any proxy covering matters for which a vote of the members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, in an election of directors, the proxy lists the persons who have been nominated at the time the notice of the vote is given to the members. Such matters include those matters requiring a vote of the members pursuant to the Corporations Code sections referred to in Corporations Code Section 5613(f).

(d) No proxy shall be valid after the expiration of 11 months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be three years after the date of execution. A validly executed proxy shall continue in full force and effect until either:

(i) it is revoked by the member executing it before the vote is cast under that proxy, (i) by a writing delivered to the Corporation stating that the proxy is revoked, (ii) by a subsequent proxy executed by that member and presented to the meeting, or (iii) as to any meeting, by the member's personal attendance and voting at the meeting, or

(ii) written notice of the death or incapacity of the maker of the proxy is received by the Corporation before the vote under that proxy is counted. A proxy may not be irrevocable. [Corp Code § 5613]

**SECTION 4.11 ADJOURNMENT AND NOTICE OF ADJOURNED MEETINGS.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time to another time and place by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than 45 days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned (or the means of electronic transmission by and to the Corporation or electronic video screen communication, if any, by which members may participate) are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. [Corp Code §§ 5511(d), 5512(d)]

## **ARTICLE 5**

### **Board of Directors**

**SECTION 5.1 GENERAL POWERS.** Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or By-Laws regarding actions that require approval of the members, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors of the Corporation. The Board may delegate the management of the activities of the Corporation to any person or persons, management company, or committee however composed, 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. [Corp Code §5210]

**SECTION 5.2 INTERESTED PERSONS AS DIRECTORS.** Not more than forty-nine percent (49%) of the persons serving on the Board may be “interested persons.” An “interested person” means either: (a) Any person currently 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, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or (b) 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. [Corp Code §5227]

**SECTION 5.3 NUMBER OF DIRECTORS; QUALIFICATIONS.**

(a) **Number.** The Board of Directors shall consist of at least ten (10) but no more than twenty (20) directors unless changed by amendment to these By-Laws. The Board shall include the four (4) elected officers; the immediate past Chair of the Board; an at large director; and four (4) regional Directors. In addition, in the discretion of the Board, it may include one or more additional at large Directors, as well as such additional Directors, if any, as the Board may determine. The exact number of directors, within the minimum and maximum, inclusive, shall be fixed or changed from time to time by approval of the Board. Any reduction of the authorized number of directors does not remove any director prior to the expiration of the director’s term of office unless the reduction also provides for the removal of one or more specified directors. [Corp Code §§ 5151(a), 5222(c), 5153]

(b) **Qualifications.** Each Director must be a voting member of the Corporation or an officer or director or other authorized representative of a voting member. If a Director misses more than two meetings per 12 month period, the Board may remove such Director. Such other qualifications as are included in the Board Manual or as the Board shall otherwise determine shall be deemed prescribed by these By-Laws. [Corp Code §5151(c)]

**SECTION 5.4 SELECTION AND TERM OF OFFICE.** (a) In accordance with reasonable nomination and election procedures established by the Board of Directors and made available to the voting members, each year an authorized committee or committees, or the Board, shall select nominees for the four (4) elected officers (who upon their election by the voting members shall be Directors), two regional Director positions and possibly one at large Director position (as well as such additional Director positions, if any, as the Board may determine), and additional nominations may be made by petition. Election shall be by written ballot or at a meeting as determined by the Board. [Corp Code §§ 5153, 5220, 5520, 5525, 5526]

(b) Directors (except for the officers and the immediate past Chair) shall be divided into two classes, Class I and Class II, which initially and as Directors may be added, shall be as nearly equal in number as possible; the Class I Directors shall be elected in the odd years and the Class II Directors shall be elected in the even years, in each case for a term of two (2) years and until his or her successor shall have been elected and qualified, unless the Director has been removed from office. Any Director elected to fill a vacancy in either class (whether such vacancy is caused by death, resignation or removal,

or by an increase in the number of Directors in such class) shall hold office for a term which shall expire with the term of the other Directors in such class, unless the Director has been removed from office. Each elected officer shall be elected for a one-year term and until his or her successor shall have been elected and qualified and shall be limited to no more than two (2) consecutive one-year terms. The immediate past Chair shall serve as a Director until he or she is no longer immediate past Chair (when the then current Chair has become immediate past Chair). [Corp Code §5220]

## **SECTION 5.5            REMOVAL.**

(a) Subject to subdivisions (b) and (f) of this section, any or all directors may be removed without cause if: (1) In a corporation with fewer than 50 members, the removal is approved by a majority of all members (Corp Code § 5033). (2) In a corporation with 50 or more members, the removal is approved by the members (Corp Code § 5034). (3) In a corporation with no members, the removal is approved by a majority of the directors then in office. [Corp Code §5222(a)]

(b) Except for a corporation having no members pursuant to Corp Code § 5310: (1) In a corporation in which the articles or By-Laws authorize members to cumulate their votes pursuant to subdivision (a) of Corp Code § 5616, no director may be removed (unless the entire Board is removed) when the votes cast against removal, or not consenting in writing to the removal, would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast (or, if the action is taken by written ballot, all memberships entitled to vote were voted) and the entire number of directors authorized at the time of the director's most recent election were then being elected. (2) If by the provisions of the articles or By-Laws the members of any class, voting as a class, are entitled to elect one or more directors, any director so elected may be removed only by the applicable vote of the members of that class. (3) If by the provisions of the articles or By-Laws the members within a chapter or other organizational unit, or region or other geographic grouping, voting as such, are entitled to elect one or more directors, any director so elected may be removed only by the applicable vote of the members within the organizational unit or geographic grouping. [Corp Code §5222(b)]

(c) Any reduction of the authorized number of directors or any amendment reducing the number of classes of directors does not remove any director prior to the expiration of the director's term of office unless the reduction or amendment also provides for the removal of one or more specified directors. [Corp Code §5222(c)]

(d) Except as provided in this Section 5.5, a director may not be removed prior to the expiration of the director's term of office. [Corp Code §5222(d)]

(e) If a director removed under this Section 5.5 was chosen by designation pursuant to Corp Code § 5220(d), then: (1) If a different person may be designated pursuant to the governing article or bylaw provision, the new designation shall be made. (2) If the governing article or bylaw provision contains no provision under which a different person

may be designated, the governing article or bylaw provision shall be deemed repealed. [Corp Code §5222(e)]

(f) For the purposes of this subdivision (f), "designator" means one or more designators. If by the provisions of the articles or By-Laws a designator is entitled to designate one or more directors, then: (1) Unless otherwise provided in the articles or By-Laws at the time of designation, any director so designated may be removed without cause by the designator of that director. (2) Any director so designated may only be removed under subdivision (a) with the written consent of the designator of that director. (3) Unless otherwise provided in the articles or bylaws, the right to remove shall not apply if any of the following circumstances exist: (A) The designator entitled to that right has died or ceased to exist. (B) If that right is in the capacity of an officer, trustee, or other status, and the office, trust, or status has ceased to exist. [Corp Code §5222(f)]

(g) The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law (commencing with Corp Code § 5230), or, if at the time a director is elected, the By-Laws provide that a director may be removed for missing a specified number of Board meetings, fails to attend the specified number of meetings. See Section 5.3(b) above. [Corp Code §5221(a)]

(h) As provided in Corp Code § 5151(c)(3), the articles or By-Laws may prescribe the qualifications of directors. The Board, by a majority vote of the directors who meet all of the required qualifications to be a director, may declare vacant the office of any director who fails or ceases to meet any required qualification that was in effect at the beginning of that director's current term of office. [Corp Code §5221(b)]

(i) A person with standing under Corp Code § 5142 may bring an action to correct any violation of By-Laws Section 5.2 or Corp Code § 5227. The court may enter any order which shall provide an equitable and fair remedy to the Corporation, including, but not limited to, an order for the election of additional directors, an order to enlarge the size of the board, or an order for the removal of directors. [Corp Code § 5227]

(j) Pursuant to Corp Code § 7223, the superior court of the proper county may in certain circumstances also remove a director. [Corp Code § 5223]

## **SECTION 5.6 RESIGNATION.**

(a) Subject to (b) below, any Director may resign effective upon giving written notice to the Chair of the Board, the Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be selected before that time, to take office when the resignation becomes effective. [Corp Code §5224(c)]

(b) Except upon notice to the Attorney General of the State of California, no director may resign where the Corporation would then be left without a duly elected Director or Directors in charge of its affairs. [Corp Code §5226]

**SECTION 5.7 VACANCIES.** Except for a vacancy created by the removal of a Director by the voting members, vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to notice or waivers of notice complying with Corp Code § 5211, or (3) a sole remaining Director. The voting members may elect a Director at any time to fill any vacancy not filled by the Directors. Unless the individual filling a vacancy as provided above has been removed from office, such individual shall serve for the unexpired term of his or her predecessor in office. Any reduction of the authorized number of Directors or any amendment reducing the number of classes of Directors does not remove any Director prior to the expiration of the Director's term of office unless the reduction or any amendment also provides for the removal of one or more specified Directors. [Corp Code §§ 5220(b), 5222(c), 5224]

**SECTION 5.8 RIGHTS OF INSPECTION.** Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation. [Corp Code §6334]

**SECTION 5.9 PERFORMANCE OF DIRECTOR DUTIES.**

(a) A Director shall perform the duties of a Director, including duties as a member of any committee of the board upon which the Director may serve, in good faith, in a manner such Director believes 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.

(b) 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: (1) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented; (2) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or (3) A committee upon which the Director does not serve that is composed exclusively of any or any combination of Directors, persons described in (1) above, or persons described in (2) above, as to matters within the committee's designated authority, which committee the Director believes to merit 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. [Corp Code §5231(a), (b)]



**SECTION 5.10 ADVISORS.** The Board from time to time may elect one or more persons to be advisors to the Board who shall not by such appointment be members of the Board and shall therefore have no vote. Advisors shall be available from time to time to perform special assignments specified by the Chair of the Board, to attend meetings of the Board upon invitation and to furnish consultation to the Board. The election of advisors, the period during which the title shall be held, and other matters regarding the advisors may be prescribed by the Board or included in the Board Manual. If no period is prescribed, the title shall be held at the pleasure of the Board.

## **ARTICLE 6**

### **Meetings of Board of Directors**

**SECTION 6.1 IN GENERAL.** Meetings of the Board of Directors may be called by or at the request of the Chair of the Board, the Vice-Chair, the Secretary or any two Directors. Meetings of the Board may be held at a place within or without the state that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, designated in these By-Laws or by resolution of the Board. [Corp Code §5211]

**SECTION 6.2 REGULAR MEETINGS.** Regular meetings of the Board of Directors may be held without notice if the time and place of the meetings are fixed by these By-Laws or the Board. [Corp Code §5211]

**SECTION 6.3 SPECIAL MEETINGS; NOTICE.** Special meetings of the Board shall be held upon four days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or by electronic transmission by the Corporation (Section 10.4). Unless otherwise provided in these By-Laws, a notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board. [Corp Code §5211]

**SECTION 6.4 QUORUM; MANNER OF ACTING.** A majority of the number of Directors then in office constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in the Adjournment section below. 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, unless a greater number is required by law or by the Articles of Incorporation, except as provided in the next sentence. 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. Each Director present and voting at a meeting shall have one vote on each matter presented to the Board for action at that meeting. No Director may vote at any meeting by proxy. [Corp Code §5211]

**SECTION 6.5 PARTICIPATION BY CONFERENCE TELEPHONE OR OTHER COMMUNICATIONS METHOD.** Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or electronic transmission by and to the Corporation (Sections 10.4 and 10.5). Participation in a meeting through use of conference telephone or electronic video screen communication pursuant to this section constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic transmission by and to the Corporation, other than conference telephone and electronic video screen communication, pursuant to this section constitutes presence in person at that meeting if both of the following apply: (A) Each member participating in the meeting can communicate with all of the other members concurrently. (B) Each member is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation. [Corp Code §5211]

**SECTION 6.6 WAIVER OF NOTICE.** Notice of a meeting need not be given to a Director who signed 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 notice to that Director. All waivers, consents and approvals as to a Board meeting shall be filed with the corporate records or made a part of the minutes of the meeting. [Corp Code §5211]

**SECTION 6.7 ADJOURNMENT.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than 24 hours, notice of an 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. [Corp Code §5211]

**SECTION 6.8 ACTION WITHOUT MEETING.** Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to that action. The consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as the unanimous vote of the Directors. [Corp Code §5211]

## ARTICLE 7

### **Committees**

**SECTION 7.1 CREATION OF AND DELEGATION TO BOARD COMMITTEES.** The Board may, by resolution adopted by a majority of the number of Directors then in office, provided that a quorum is present, create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. The Board may delegate to such Board committees (consisting entirely of Directors) any of the authority of the Board, except with respect to:

- (a) Actions which by law would require approval of members (per Corp Code §5034) or of a majority of all members (per Corp Code §5033), regardless of whether the Corporation has members.
- (b) The filling of vacancies on the Board or in any committee which has the authority of the Board.
- (c) The fixing of compensation of the Directors for serving on the Board or on any committee.
- (d) The amendment or repeal of By-Laws or the adoption of new By-Laws.
- (e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.
- (f) The appointment of committees of the Board or the members thereof.
- (g) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.
- (h) The approval of any self-dealing transaction as defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law. [Corp Code §5212(a)]

**SECTION 7.2 BOARD COMMITTEES.** Any such committee may be designated an Executive Committee or given another name as the Board shall specify. The Board may appoint, in the same manner, one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any of these committees shall be conducted. In the absence of prescription by the Board, a committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or a committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of these By-Laws applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee. [Corp Code §5212(a), §6320(a)(2)]

**SECTION 7.3 NON-BOARD COMMITTEES.** While a committee exercising the authority of the Board shall not include as members persons who are not Directors, the Board may create other committees that do not exercise the authority of the Board. These other committees may include persons who are not Directors. [Corp Code §5212(b)]

## **ARTICLE 8**

### **Officers**

**SECTION 8.1 OFFICERS.** The officers of the Corporation shall be a Chair of the Board, a Vice-Chair of the Board, a Secretary, a Treasurer (chief financial officer) (all of whom shall be members of the Board as set forth in Article 5 above) and an Executive Director, and such other officers as may be stated in the By-Laws or determined by the Board of Directors. Officers whose authority and duties are not prescribed in these By-Laws, in a contract of employment or in the Board Manual shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Neither the Treasurer (chief financial officer) nor the Secretary may serve concurrently as the Chair of the Board. [Corp Code §5213]

**SECTION 8.2 SELECTION; QUALIFICATIONS; TERM OF OFFICE.** In accordance with reasonable nomination and election procedures established by the Board of Directors, each year a Chair of the Board (herein referred to sometimes as Chair), a Vice-Chair of the Board (herein referred to sometimes as Vice-Chair), a Secretary and a Treasurer (chief financial officer) shall be elected. Each elected officer shall serve for a term of one (1) year and until his or her successor shall have been elected and qualified; may not be elected to the same position for more than two consecutive full terms; and must be a voting member of the Corporation or an officer or director or other authorized representative of a voting member. Election or appointment of an officer or agent shall not of itself create contract rights. It is recommended that candidates for elected officer positions have current or previous experience on the Board. Candidates for Chair of the Board and Vice-Chair of the Board shall currently be serving on the Board. The Executive Director shall be appointed by the Board and shall continue to serve as such as long as such individual is employed by the Corporation. The term of employment of the Executive Director shall be governed by the provisions of such individual's employment contract. [Corp Code §5213]

**SECTION 8.3 REMOVAL; RESIGNATION.** Any officer or agent may be removed by the Board of Directors or other persons authorized to elect or appoint such officer or agent, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer may resign at any time upon 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. [Corp Code §5213]

**SECTION 8.4 VACANCIES.** Vacancies in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these By-Laws for regular election/appointment to the office, provided that vacancies may be filled as they occur and not just on an annual basis.

**SECTION 8.5 CHAIR OF THE BOARD.** The Chair of the Board (herein sometimes Chair) shall preside at all meetings of the membership and the Board of Directors. In the Chair's absence, the Vice-Chair shall preside, or if both are absent, then the Secretary, then the Treasurer, shall preside. The Chair may execute all contracts, deeds, certificates, bonds or other obligations authorized by the Board and sign records or certificates required by law or by orders of the Board of Directors. The Chair shall perform such other duties as may be prescribed by the Board of Directors or as shall be contained in the Corporation Board Manual, if any. [Corp Code §5213]

**SECTION 8.6 VICE-CHAIR OF THE BOARD.** The Vice-Chair of the Board (herein sometimes Vice-Chair) shall assist the Chair in the discharge of his or her duties as the Chair may direct and shall perform such other duties as from time to time may be assigned to him or her by the Chair or the Board of Directors or as shall be contained in the Corporation Board Manual, if any. The Vice-Chair shall perform the duties of the Chair in the event of the Chair's absence or refusal or inability to serve. When so acting, the Vice-Chair shall have all the powers of, and be subject to all the restrictions upon, the Chair. [Corp Code §5213]

**SECTION 8.7 SECRETARY.** The Secretary shall record (or cause to be recorded) the minutes of the meetings of the members and of the Board of Directors. In the Secretary's absence the Chair may appoint an assistant secretary to temporarily assume the Secretary's duties. The Secretary shall keep, or cause to be kept, at the principal office or other place ordered by the Board, a book of minutes of all proceedings of the members, the Board and its committees and a record of the Corporation's members giving their names and addresses and the class of membership held by each. The Secretary shall keep, or cause to be kept, at the principal office of the Corporation in the State of California the original or a copy of the Corporation's Articles of Incorporation and By-Laws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of members, the Board and any committees of the Board required by these By-Laws or by law to be given. The Secretary shall be empowered to certify as true, the original or a copy of the By-Laws or minutes of meetings or resolutions or actions of the Corporation. The Secretary shall have such other duties as are incident to such office or required by law or as from time to time may be assigned by the Chair or the Board of Directors or as shall be contained in the Corporation Board Manual, if any. [Corp Code §§ 5160, 5213, 5215, 6320]

**SECTION 8.8 TREASURER.** The Treasurer shall be the chief financial and accounting officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of the Corporation. The Treasurer shall deposit or cause to be deposited all moneys and other valuables in the

name and to the credit of the Corporation with depositaries designated by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as ordered by the Board and shall render to the Board of Directors, whenever they reasonably request it, an account of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall have such other duties as from time to time may be assigned by the Board of Directors or as shall be contained in the Corporation Board Manual, if any. Unless otherwise provided by the Board, the Treasurer shall cause the reports required by By-Laws Section 10.1(c) to be furnished as provided therein. [Corp Code §5213, 6320, 6321, 6322]

**SECTION 8.9 EXECUTIVE DIRECTOR.** The Executive Director shall be the general manager and chief executive officer of the Corporation responsible for all management functions. Subject to the direction and control of the Board of Directors, the Executive Director shall be in charge of the business and affairs of the Corporation. The Executive Director shall see that all orders and resolutions of the Board of Directors are carried into effect. The Executive Director may execute all contracts, deeds, certificates, bonds or other obligations authorized by the Board and sign records or certificates required by law or by orders of the Board of Directors. Other duties may be assigned to the Executive Director by the Board of Directors by mutual agreement consistent with any contractual relationship between the Executive Director and the Corporation. [Corp Code §5213]

## ARTICLE 9

### **Indemnification**

**SECTION 9.1 DEFINITIONS.** For the purposes of this Article 9, "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 which 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; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 9.4 or 9.5(b) of this Article 9. [Corp Code §5238(a)]

**SECTION 9.2 INDEMNIFICATIONS IN ACTIONS BY THIRD PARTIES.** The Corporation shall have power to 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 Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status 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 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. [Corp Code §5238(b)]

**SECTION 9.3 INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.** The Corporation shall have power to 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, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor 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 Section 9.3:

(a) 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 which such court shall determine;

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

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General. [Corp Code §5238(c)]

**SECTION 9.4 INDEMNIFICATION AGAINST EXPENSES.** To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 9.2 or 9.3 of this Article 9 or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith. [Corp Code §5238(d)]

**SECTION 9.5 REQUIRED DETERMINATIONS.** Except as provided in Section 9.4 of this Article 9, any indemnification under this Article 9 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 Section 9.2 or 9.3 of this Article 9, by:

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

(b) The court in which such proceeding is or was pending upon application made by the Corporation or 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. [Corp Code §5238(e)]

**SECTION 9.6 ADVANCE OF EXPENSES.** 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 Article 9. [Corp Code §5238(f)]

**SECTION 9.7 OTHER INDEMNIFICATION.** No provision made by the Corporation to indemnify its or its subsidiary's Directors or officers for the defense of any proceeding, whether contained in the articles, bylaws, a resolution of members or Directors, an agreement or otherwise, shall be valid unless consistent with this Article 9. Nothing contained in this Article 9 shall affect any right to indemnification to which persons other than such Directors and officers may be entitled by contract or otherwise. [Corp Code §5238(g)]

**SECTION 9.8 FORMS OF INDEMNIFICATION NOT PERMITTED.** No indemnification or advance shall be made under this Article 9, except as provided in Section 9.4 or 9.5(b), in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the articles, bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement. [Corp Code §5238(h)]

**SECTION 9.9 INSURANCE.** The Corporation shall have power to 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 9; 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 of the California Nonprofit Public Benefit Corporation Law. [Corp Code §5238(i)]

**SECTION 9.10 NONAPPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFIT PLANS.** This Article 9 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 as defined in Section 9.1 of this Article 9. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by Section 207(f) of the California General Corporation Law. [Corp Code §5238(j)]

## **ARTICLE 10**

### **General; Definitions; Amendments**

**SECTION 10.1 BOOKS AND RECORDS; MINUTES; MEMBERS.** The Corporation shall keep: (i) Adequate and correct books and records of account; (ii) Minutes of the proceedings of its voting members, Board and committees of the Board; and (iii) A record of its voting members giving their names and addresses and the class of membership held by each. Those minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing. [Corp Code §6320]

**SECTION 10.2 CONTENTS OF BY-LAWS.** The By-Laws may contain any provisions for the regulation and management of the affairs of the Corporation not inconsistent with law or the Articles of Incorporation. The Board of Directors may also adopt a Corporation Board of Directors Policies and Procedures Manual ("Corporation Board Manual" or "Board Manual"), which may contain a number of provisions governing the day-to-day operations of the Corporation not appropriate for placement in the By-Laws. [Corp Code §§5150-5160]

**SECTION 10.3 PARLIAMENTARY AUTHORITY.** The rules and related information contained in the current edition of a standard code of parliamentary procedures practiced in the United States shall govern the order of business and parliamentary procedure for all meetings of the Corporation in all cases to which such rules and information are applicable and in which they are not inconsistent with the California Corporations Code, the Articles or By-Laws of the Corporation or the Corporation Board Manual, if any; provided, such rules and information shall not be deemed to add to or supply substantive regulations to the By-Laws.

**SECTION 10.4 ELECTRONIC TRANSMISSION BY THE CORPORATION.** "Electronic transmission by the Corporation" means a communication (a) delivered by (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with

the Corporation, (2) posting on an electronic message board or network which the Corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof, or (3) other means of electronic communication, (b) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to the California Corporations Code, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form. However, an electronic transmission under the California Corporations Code by the Corporation to an individual member of the Corporation who is a natural person, and if an officer or director of the Corporation, only if communicated to the recipient in that person's capacity as a member, is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper or in nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the Corporation, and (c) the procedures the recipient must use to withdraw consent. [Corp Code §20]

**SECTION 10.5 ELECTRONIC TRANSMISSION TO THE CORPORATION.** "Electronic transmission to the Corporation" means a communication (a) delivered by (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, which the Corporation has provided from time to time to members and directors for sending communications to the Corporation, (2) posting on an electronic message board or network which the Corporation has designated for those communications, and which transmission shall be validly delivered upon the posting, or (3) other means of electronic communication, (b) as to which the Corporation has placed in effect reasonable measures to verify that the sender is the member (in person or by proxy) or director purporting to send the transmission, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form. [Corp Code §21]

**SECTION 10.6 "WRITTEN" OR "IN WRITING".** "Written" or "in writing" includes facsimile, telegraphic, and other electronic communication as authorized by the California Corporations Code, including an electronic transmission by the Corporation that satisfies the requirements of Section 10.4. [Corp Code §5079]

**SECTION 10.7 CONTRACTS.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**SECTION 10.8 FISCAL YEAR.** The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

**SECTION 10.9 AMENDMENTS.** (a) Subject to the voting members' rights under (b) and (c) below, By-Laws may be adopted, amended or repealed by the Board unless the action would materially and adversely affect the rights of members as to voting or transfer. [Corp Code §5150(a)]

(b) Once voting members have been admitted to the Corporation, the Board may not, without the voting members' approval, specify or change any By-Law that would:

- (1) Fix or change the authorized number of directors;
- (2) Fix or change the minimum or maximum number of directors, or
- (3) Change from a fixed number of directors to a variable number of directors or vice versa. [Corp Code §5151(b)]

(c) Without the approval of the voting members, the Board may not adopt, amend, or repeal any By-Law that would:

- (1) Increase or extend the terms of directors;
- (2) Allow any director to hold office by designation or selection rather than by election by the members;
- (3) Increase the quorum for voting members' meetings;
- (4) Repeal, restrict, create, expand, or otherwise change proxy rights; or
- (5) Authorize cumulative voting. [Corp Code §§ 5220(a) and (d), 5512(a), 5613(e), 5616(a)]

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