



CSHA
FOUNDATION

**AMENDED AND
RESTATED BYLAWS
OF
CSHA FOUNDATION**

(A California Nonprofit Public Benefit Corporation)

ADOPTED: April 7, 2025

Article I. Name

Section 1.01

The name of the organization is CSHA Foundation (the “Corporation”).

Article II. Offices

Section 2.01

The principal office of the Corporation shall be located at 825 University Ave., Sacramento in Sacramento County, California or such place within the State of California as shall be fixed from time to time by resolution of the Board of Directors (the “Board”), and if no place is fixed by the Board, such place as shall be fixed by the Board President. The Corporation may also have such other offices within the State of California as the Board may from time to time determine or the business of the Corporation may require.

Article III. Purpose

Section 3.01

This Corporation has been formed under the California Nonprofit Public Benefit Corporation Law for the purposes of set forth in the Articles of Incorporation of the Corporation, as may be amended from time to time (the “Articles of Incorporation”).

Article IV. No Members

Section 4.01

The Corporation shall have no members. Any action that would otherwise require the approval of the members shall only require approval by the Board. To the extent any director of the Board (each a “Director”), donor, contributor, or other person is referred to as a “member” in any corporate materials, it shall be understood that such Director, donor, contributor, or person is not a statutory member as contemplated by the California Nonprofit Public Benefit Corporation Law, and has no membership voting or other rights in the Corporation.

Article V. Board Of Directors

Section 5.01 Powers

(a) General Powers

Subject to applicable law and in accordance with the purposes and limitations set forth in the Articles of Incorporation and herein, 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.

(b) Special Powers

Without prejudice to their general powers, the Directors shall have the power to:

- (i) Select and remove the officers of the Corporation and prescribe any powers and duties for them that are consistent with the law, with the Articles of Incorporation, and with these Bylaws; including fixing their compensation, if any;*
- (ii) Cause the Corporation to be qualified to do business in any other state, territory, dependency, or country, and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting;*
- (iii) Receive and accept gifts, devises, bequests, donations, annuities, and endorsements of real and personal property, and use or hold the same, both as to principal and income, and to invest and re- invest the same or any part thereof for the furtherance of any objects, interests, or purposes of this Corporation;*
- (iv) Make and receive such contributions as the Board determines are necessary and advisable in furtherance of the interests and purposes of this Corporation;*
- (v) Enter into contracts and agreements with individuals and with public and private entities for the advancement of the purposes for which the Corporation is organized;*
- (vi) Acquire, construct, and possess real, personal, and intellectual property;*
- (vii) Establish one or more bank accounts and/or special funds in order to accomplish and further the purposes of the Corporation;*
- (viii) Appoint committees as provided in these bylaws;*

- (ix) Appoint any number of non-voting Advisors who the Board believes will make a contribution to the activities and operation of the Corporation. Advisors shall serve at the pleasure of the Board in an advisory capacity only and shall not have any of the rights or obligations applicable to voting Directors under the law or these bylaws;*
- (x) Execute any agreement with California Speech Language-Hearing Association (the "Association") for the purpose of securing administrative services and support; and*
- (xi) Do and perform all acts and exercise all powers incidental to, or in connection with, or deemed reasonably necessary for the proper implementation of the purposes of the Corporation.*
- (xii) Select and remove the officers of the Corporation and prescribe any powers and duties for them that are consistent with the law, with the Articles of Incorporation, and with these Bylaws; including fixing their compensation, if any;*
- (xiii) Cause the Corporation to be qualified to do business in any other state, territory, dependency, or country, and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting;*
- (xiv) Receive and accept gifts, devises, bequests, donations, annuities, and endorsements of real and personal property, and use or hold the same, both as to principal and income, and to invest and re- invest the same or any part thereof for the furtherance of any objects, interests, or purposes of this Corporation;*
- (xv) Make and receive such contributions as the Board determines are necessary and advisable in furtherance of the interests and purposes of this Corporation;*
- (xvi) Enter into contracts and agreements with individuals and with public and private entities for the advancement of the purposes for which the Corporation is organized;*
- (xvii) Acquire, construct, and possess real, personal, and intellectual property;*
- (xviii) Establish one or more bank accounts and/or special funds in order to accomplish and further the purposes of the Corporation;*
- (xix) Appoint committees as provided in these bylaws;*
- (xx) Appoint any number of non-voting Advisors who the Board believes will make a contribution to the activities and operation of the Corporation. Advisors shall serve at the pleasure of the Board in an advisory capacity only and shall not have any of the rights or obligations applicable to voting Directors under the law or these bylaws;*
- (xxi) Execute any agreement with California Speech Language-Hearing Association (the "Association") for the purpose of securing administrative services and support; and*

(xxii) Do and perform all acts and exercise all powers incidental to, or in connection with, or deemed reasonably necessary for the proper implementation of the purposes of the Corporation.

Section 5.02 Number

The number of Directors shall be not less than four (4) nor more than nine (9), with the exact authorized number of Directors to be determined by the Board from time to time. From the date of the adoption of these Bylaws and until changed by a resolution of the Board, the number of Directors shall be five (5).

Section 5.03 Entire Board

As used in these bylaws, the term “Entire Board” shall mean the total number of Directors then in office.

Section 5.04 Qualifications

Each Director shall be at least 18 years of age. Directors need not be residents of the state of California.

Section 5.05 Election and Term of Office

(a) Election.

Directors shall be elected by a majority vote of the Directors at each annual meeting, including the vote(s) of any Director whose term of office expires with that meeting. Directors shall be subject to the following schematic of roles:

- (i) The president of the corporation shall be voted on by a majority vote of the Directors at the annual meeting, including the vote(s) of any Director whose term of office expires with that meeting.*
- (ii) Two or more of the members of the Board of Directors shall be selected from the general professional membership population of the Association.*
- (iii) A member of the Association’s Governance Committee shall be invited to participate in Foundation board meetings in an advisory capacity. They shall provide input but are not considered Directors.*

(b) Term of Office.

Each Director shall serve for a period of two (2) years and until the election and qualification of a successor, or until such Director’s death, resignation, or removal. The terms shall be staggered so that half the Directors shall be elected at each annual meeting. Directors shall not serve more than three (3) consecutive terms. A Director who has served three (3) consecutive terms may be eligible to serve as a Director after two (2) years have passed since that person was last a Director. For purposes of providing clarity, the term of those Directors that serve on the Board pursuant to their position as an Officer of the Corporation shall be governed by Article VII of these Bylaws.

Section 5.06 Newly Created Directorships and Vacancies

Newly created directorships resulting from an increase in the authorized number of Directors, and vacancies occurring for any reason, including any vacancy occurring by reason of the death, resignation, or removal of a Director, may

be filled at any meeting of the Board by the vote of the majority of the Directors then in office, although less than a quorum, or by a sole remaining Director. Each Director so elected shall serve until the end of the term of the vacant position until such Director's successor is elected and qualified. Partial terms shall not count towards the term limits described in Section 5.05(b).

Section 5.07 Removal

- 1) Any Director may be removed at any time without cause by a majority of the Entire Board at a regular or special meeting called for that purpose, or with cause by a majority of the Directors present at such a meeting where there is a quorum. For purposes of this Section 5.07, cause exists if the Director has been declared of unsound mind by a final order of court, is convicted of a felony, is found by final order or judgment of any court to have breached a duty under Article 3 of the California Nonprofit Corporation Law governing standards of conduct, or fails to attend thirty percent (30%) of the Board's regularly scheduled meetings in any fiscal year, or fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.
- 2) No reduction of the authorized number of Directors shall have the effect by itself of removing any Director before the expiration of the Director's term of office.

Section 5.08 Resignation

Any Director may resign from the Board at any time by giving written notice to the Board, the President, or the Secretary of the Corporation, except if such resignation would leave the Corporation without a duly elected Director. Unless otherwise specified in the notice, the resignation shall take effect at the time of receipt by the Board or such officer. The acceptance of such resignation shall not be necessary to make it effective. No resignations shall discharge any accrued obligation or duty of a Director.

Section 5.09 Annual and Regular Meetings

The Board shall hold an annual meeting, at a time and place fixed by the Board, at which meeting the Board shall elect Directors, appoint officers, and transact any other business as shall come before the meeting.

Regular meetings of the Board shall be held at such times and places as may be fixed by the Board from time to time by resolution (which may be made by written consent or determined by a vote of the Board and memorialized within the Board meeting minutes), or as specified in the notice of the meeting. Both the annual and regular meetings may be held by remote communication as provided within Section 5.14 of these Bylaws.

Section 5.10 Special Meetings

Special meetings of the Board may be held at any time upon the call of the President, the Secretary/ Treasurer, or any two (2) Directors, in each case at such time and place as shall be fixed by the person or persons calling the meeting, as specified in the notice thereof. Special meetings may be held by remote communication as provided within Section 5.14 of these Bylaws.

Section 5.11 Place of Meetings

Meetings of the Board, when held in person, may be held at any place within or without the State of California that is designated in the notice of the meeting. If no place is stated in the notice or if there is no notice, meetings shall be held at the principal executive office of the Corporation unless another place has been designated by a resolution duly adopted by the Board.

Section 5.12 Notice of Meetings

(a) No Notice Required.

No notice of a regular meeting shall be required where the time and place of the meetings are fixed by Board resolution, as permitted under Section 5.09. Notice of a regular or special meeting need not be given to a Director who submits a signed waiver of notice before or at the meeting's commencement, or who attends the meeting without protesting (not later than the commencement of the meeting) the lack of notice to him or her.

(b) Notice Required.

Notice of any special meeting, and of any regular meeting if the time and place are not so fixed by Board resolution, shall be given to each Director.

(c) Delivery of Notice.

Notice, when required, shall be given to each Director by one of the following methods:

- (i) First-class mail, with prepaid postage thereon;*
- (ii) Telephone, including a voice messaging system or other system or technology designed to record and communicate messages;*
- (iii) Facsimile transmission, email, or other electronic means, if the Director has consented to accept notices in this manner; or*
- (iv) Personal delivery of oral or written notice, including by courier service.*
- (v) Such notice shall be addressed or delivered to each Director at his or her address or contact information as it appears on the records of the Corporation. Notice shall be deemed to have been given when sent, and if by mail, when deposited in the United States mail with prepaid postage thereon.*

(d) Timing of Notice.

Notice must be given to each Director at least four (4) days before the time set for the meeting if by first-class mail and at least forty-eight (48) hours before the time set for the meeting if given personally, by telephone, by facsimile transmission, or by email or other electronic means.

(e) Content of Notice.

Notice shall state the time and place where the meeting is to be held. The notice need not specify the purpose of the meeting unless required to elsewhere by these bylaws.

Section 5.13 Quorum and Action of the Board

The presence of a majority of the Entire Board shall constitute a quorum for the transaction of business. Any act approved by a majority of the Directors present at a duly held meeting at which a quorum is present is the act of the Board, unless the California Nonprofit Corporation Law, the Articles of Incorporation, or these bylaws require a greater number. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors leaving less than a quorum, if any action is approved by at least a majority of the Directors who constitute the required quorum for the meeting, or such greater number as required by the California Nonprofit Corporation Law, the Articles of Incorporation, or these bylaws.

Section 5.14 Meeting by Remote Communication

Members of the Board or any committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone, electronic video screen communication, or electronic transmission by and to the Corporation. Participation by conference telephone or electronic video screen communication constitutes presence in person if:

- 1) All Directors participating in the meeting can hear one another;
- 2) Each member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and
- 3) The Corporation adopts and implements means of verifying both of the following:
 - a) *a person communicating by telephone, electronic video equipment, or other communications equipment is a Director entitled to participate in the board meeting; and*
 - b) *all statements, questions, actions, or votes were made by that Director and not by another person not permitted to participate as a Director. Participation in a meeting pursuant to this bylaw shall constitute presence in person at such meeting.*

Section 5.15 Adjournment of Meeting

A majority of the Directors present, whether or not a quorum is present, may adjourn the meeting to another time and place. If a meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time and place shall be given before the adjourned meeting to each Director not present at the time of the adjournment.

Section 5.16 Action Without a Meeting

Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all of the Directors or committee members consent to the action in writing and the number of Directors or committee members then serving constitutes a quorum. For purposes of this Section 5.16 only, "all of the Directors or committee members" shall not include any interested Director as defined in Section 5233 of the California Nonprofit Corporation

Law. The written consents shall be filed with the minutes of the proceedings of the Board or committee. The action by written consent shall have the same force and effect as a unanimous vote of the Directors or committee members.

Section 5.17 Compensation

The Corporation shall not pay compensation to Directors for services rendered to the Corporation as Directors, except that Directors may be reimbursed for reasonable expenses incurred in the performance of their duties to the Corporation. A Director may receive reasonable compensation for the performance of services provided to the Corporation in any capacity separate from his or her responsibilities as a Director when so authorized by a majority of the Directors then in office, and as long as no more than 49% of the Directors are interested persons within the meaning of Section 5227 of the California Nonprofit Corporation Law.

Article VI. Committees

Section 6.01 Executive Committee and Other Committees of the Board

The Board, by resolution adopted by a majority of the Entire Board, may designate one or more committees, including a Governance Committee, each consisting of two (2) or more Directors, to serve at the pleasure of the Board and to exercise the authority of the Board to the extent provided in the resolution establishing the committee, except that no such committee shall have authority to:

- 1) Approve any action for which the California Nonprofit Corporation Law, the Articles of Incorporation, or these bylaws requires approval by the Entire Board.
- 2) Fill vacancies on the Board or in any committee which has the authority of the Board.
- 3) Amend or repeal the bylaws or adopt new bylaws.
- 4) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable.
- 5) Appoint committees of the Board or the members thereof.
- 6) Expend corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.
- 7) Approve any self-dealing transaction, except as provided in Section 5233(d)(3) of the California Nonprofit Corporation Law.

The designation of a committee of the Board and the delegation thereto of authority shall not operate to relieve the Board or any member thereof of any responsibility imposed by law.

Section 6.02 Quorum and Action by Committee

Unless otherwise provided by resolution of the Board, a majority of all of the members of a committee shall constitute a quorum for the transaction of business and the vote of a majority of all of the members of a committee shall be the act of the committee. The procedures and manner of acting of the Governance Committee and the other committees of the Board shall be subject at all times to the direction of the Board.

Section 6.03 Alternate Members

The Board, by vote of a majority of the Entire Board, may designate one (1) or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

Section 6.04 Nonprofit Integrity Act

In any fiscal year in which the Corporation receives or accrues gross revenues of two million dollars or more (excluding grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received), the Board shall:

- 1) Prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public account (the “CPA”) in conformity with generally accepted auditing standards;
- 2) Make the audit available to the Attorney General and to the public within nine (9) months after the close of the fiscal year to which the statements relate;
- 3) Make the audited financial statements available to the public on the same basis that the Internal Revenue Service Form 990 is required to be made available; and
- 4) Appoint an Audit Committee.

Section 6.05 Audit Committee

To avoid any concerns involving “interested person” limitations as defined within California Corporate Code Section 5227, the Audit Committee, whether standing or appointed by the Board from time to time, shall not include paid or unpaid staff or employees of the Corporation. The President and Secretary/Treasurer may serve on the Audit Committee only if such persons are volunteers and are not compensated by this Corporation. If there is a finance committee, members of the finance committee may participate or oversee the Audit Committee, but shall constitute less than 50% of the membership of the Audit Committee and the President of the Audit Committee shall not be a member of the finance committee.

Subject to the supervision of the Board, the Audit Committee shall:

- 1) Make recommendations to the Board on the retention and termination of the CPA;
- 2) Negotiate the CPA’s compensation, on behalf of the Board;
- 3) Confer with the CPA to satisfy the Audit Committee members that the financial affairs of the Corporation are in order;
- 4) Review and determine whether to accept the audit; and

- 5) Approve non-audit services by the CPA and assure such services conform to the standards for auditor independence set forth in the United States Comptroller General's Yellow Book or as prescribed by the Attorney General.

Section 6.06 Advisory Committees

The Board may create one or more advisory committees to serve at the pleasure of the Board. Appointments to such advisory committees may, but need not, be Directors. The Board shall appoint and discharge advisory committee members. All actions and recommendations of an advisory committee shall require ratification by the Board before being given effect.

Article VII. Officers

Section 7.01 Officers

The officers of the Corporation shall consist of at least a President and a Secretary/Treasurer. The Board may from time to time appoint such other officers as it may determine. Other than the President, Officers may, but need not be, selected from among the Directors. All officers shall be chosen by the Board from slates of candidates eligible and willing to serve. One person may hold, and perform the duties of, more than one office, except that the same person may not concurrently hold the offices of President and Secretary/Treasurer.

Section 7.02 Election, and Term of Office

The officers, except for the President who shall be selected pursuant to Section 7.06, of the Corporation shall be elected by a majority vote of the Board at an annual meeting of the Board, and each officer shall serve at the pleasure of the Board for a two (2) year term. Officers may be elected for a total of three (3) terms. An Officer who has served three (3) consecutive terms may be eligible to serve as an Officer after two (2) years have passed since that person was last an Officer. All officers shall be subject to the supervision and direction of the Board.

Section 7.03 Removal

Any officer elected or appointed by the Board may be removed at any time, with or without cause, by a vote of a majority of the Entire Board, subject to the rights, if any, of an officer under any contract of employment.

Section 7.04 Resignation

Any officer may resign at any time by giving written notice to the Board. Unless otherwise specified in the notice, the resignation shall take effect at the time of receipt by the Board. The acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 7.05 Vacancies

A vacancy in any office arising from any cause shall be filled for the unexpired portion of the term by the Board at the next regular or special meeting of the Board. A partial term shall not count towards the term limits provided within Section 7.02.

Section 7.06 President

- (i) The Corporation's President (the "President") shall be elected by a Directors majority vote of the Directors at an annual meeting, including the vote(s) of any Director whose term of office expires with that meeting. The President shall be a director, shall serve at the pleasure of the Board for a two (2) year term, and preside at all meetings of the Board, and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board. The President shall be subject to the term limits and waiting periods applicable to all other officers under Section 7.02. He or she shall have the general powers and duties of supervision and management of the Corporation which usually pertain to his or her office and shall perform all such other duties as are properly required of him or her by the Board.*

Section 7.07 Secretary/Treasurer

The Secretary/Treasurer shall have the following powers and duties, and such other powers and duties as usually pertain to his or her office or as are properly required of him or her by the Board:

- 1) Articles and Bylaws. The Secretary/Treasurer shall keep or cause to be kept the original or a copy of the Corporation's articles of incorporation and these bylaws, as amended, at its principal office in the State of California.
- 2) Minutes and Resolutions. The Secretary/Treasurer shall record, certify, and keep, or cause to be kept, the original or a copy of the minutes of all meetings and resolutions of the Board and its committees. The minutes may also be kept in a form that is readily convertible into a clearly legible tangible form. These bylaws and the minute book shall be open to review by any director at all reasonable times.
- 3) Notices and Reports. The Secretary/Treasurer shall serve or cause to be served all notices and reports as required by law and these bylaws.
- 4) Corporate Seal. The Secretary/Treasurer shall keep or cause to be kept the corporate seal, if any, to sign such instruments as require the seal and his or her signature.
- 5) Books of Account. The Secretary/Treasurer shall have the custody of all the funds and securities of the Corporation and shall keep and maintain or cause to be kept and maintained full and accurate accounts of all deposits, disbursements, properties, and business transactions of the Corporation. The books of account shall be open to inspection by any director at all reasonable times.

- 6) Deposits and Disbursements. The Secretary/Treasurer shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Corporation in the depositories designated by the Board and shall disburse the funds of the Corporation as may be ordered by the Board.
- 7) Financial Report. The Secretary/Treasurer shall render to the President and any of the directors of the Corporation, at the annual meeting of the Board and upon request, an account of his or her transactions and of the financial condition of the Corporation.
- 8) Inspection. The Corporation's books of account and records shall be open to inspection at all reasonable times to the President and any of the Directors of the Corporation upon request at the office of the Corporation.

Section 7.08 Compensation

The officers of the Corporation shall not be compensated for their services.

Article VIII. Execution Of Instruments; Deposits

Section 8.01 Contracts and Instruments

The Board, subject to the Corporation's Conflict of Interest Policy, adopted by the Board and as amended from time to time, and Article XI of these bylaws, may authorize any officer or agent of the Corporation to enter into any contract, to execute and deliver any instrument in the name of or on behalf of the Corporation.

Section 8.02 Checks and Drafts

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness in the name of and on behalf of the Corporation, shall be signed by such Officer or agent of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer.

Section 8.03 Deposits

The funds of the Corporation shall be deposited in its name with such banks, trust companies, or other depositories as the Board, or officers to whom such power has been delegated by the Board, may from time to time designate.

Article IX. Indemnification and Insurance

Section 9.01 Definitions

For purposes of this Article IX, capitalized terms used herein shall have the meanings set forth in this Section 9.01:

- 1) “Agent” means any person who (i) is or was a director, officer, employee, or other agent of the Corporation; (ii) 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 (iii) 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 the predecessor corporation.
- 2) “Proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative.
- 3) “Expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under this Article IX or Section 5238(d) or 5238(e)(3) of the California Nonprofit Corporation Law.
- 4) “Third-Party Actions” means any action or proceeding other than those:
 - a) *by or in the right of the Corporation to procure judgment in its favor;*
 - b) *brought under Section 5233 of the California Nonprofit Corporation Law regarding self-dealing transactions; or*
 - c) *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.*

Section 9.02 Indemnification in Third-Party Actions

The Corporation shall, to the fullest extent now or hereafter permitted by law, indemnify any Agent of the Corporation made, or threatened to be made, a party to any Third-Party Action by reason of the fact that he or she was an Agent of the Corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding, including reasonable attorneys’ fees, if the Agent:

- 1) Acted in good faith.
- 2) In a manner the Agent reasonably believed to be in the best interests of the Corporation.
- 3) In the case of a criminal proceeding, had no reasonable cause to believe the Agent’s conduct 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 Agent 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 Agent had reasonable cause to believe that the Agent’s conduct was unlawful.

Section 9.03 Indemnification in Other Actions

The Corporation may indemnify any Agent 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 Corporation Law regarding self-dealing transactions, 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, against

expenses actually and reasonably incurred by the Agent in connection with the defense or settlement of the action if the Agent acted:

- 1) In good faith.
- 2) In a manner the Agent believed to be in the best interests of the Corporation.
- 3) With such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 9.04 Limitation on Indemnification in Other Actions

No indemnification shall be made under Section 9.03:

- 1) In respect of any claim, issue, or matter as to which the Agent has been adjudged to be liable to the Corporation in the performance of the Agent's duty to the Corporation, unless and only to the extent that the court in which the proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, the Agent is fairly and reasonably entitled to indemnity for the expenses which the court shall determine;
- 2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- 3) 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.

Section 9.05 Mandatory Indemnification

The Corporation shall indemnify any Agent against expenses actually and reasonably incurred where the Agent has been successful on the merits in defense of any proceeding described in Sections 9.02 and 9.03 of these bylaws, or in defense of any claim, issues, or matter therein.

Section 9.06 Determination.

Any indemnification of the Agent by the Corroboration must be made upon a determination the Agent has met the applicable standard of care. Upon such finding, indemnification shall only be made only if authorized by: (i) a majority vote of quorum consisting of Directors who are not parties to the proceeding; or (ii) the court in which the 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 the application by the agent, attorney, or other person is opposed by the Corporation.

Section 9.07 Insurance

The Corporation may purchase and maintain insurance to indemnify any Agent against any liability asserted against or incurred by an Agent in that capacity or arising out of the Agent's status as an Agent, whether or not the Corporation would have the power to indemnify the Agent against that liability under Section 5238 of the California Nonprofit

Corporation Law; provided, however, that the Corporation shall have no power to purchase and maintain insurance to indemnify any Agent for a violation of Section 5233 of the California Nonprofit Corporation Law.

Section 9.08 Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by the Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it shall be determined ultimately that the Agent is entitled to be indemnified as authorized in this Article IX or under Section 5238 of the California Nonprofit Corporation Law.

Article X. General Provisions

Section 10.01 Fiscal Year

The fiscal year of the Corporation shall begin on July 1st and end on June 30th of each year.

Section 10.02 Corporate Seal

The corporate seal, if any, shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, Nonprofit Public Benefit Corporation, California." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced. Failure to affix the seal to corporate instruments shall not affect the validity of such instruments.

Section 10.03 Books and Records

The Corporation shall keep at the principal office of the Corporation correct and complete books and records of the activities and transactions of the Corporation, including the minute book, which shall contain a copy of the Articles of Incorporation, a copy of these bylaws as amended to date, all resolutions of the Board, and all minutes of meetings of the Board and committees thereof.

Section 10.04 Annual Returns

The Entire Board shall review the Corporation's annual filing with the Internal Revenue Service ("IRS") before it is filed, i.e., the applicable IRS filing form including but not limited to: Form 990, Form 990-EZ, Form 990-N, etc.

Section 10.05 Annual Report; Statements of Transactions and Indemnification

The Board must send an annual report to each director not later than 120 days after the close of the Corporation's fiscal year. The annual report and any accompanying material sent pursuant to this Section 10.05 may be sent by electronic transmission by the Corporation. The report must be accompanied by either a report of an independent accountant or, if there is no such report, the certificate of Secretary/ Treasurer of the Corporation that such statements were prepared without audit from the books and records of the Corporation. The annual report shall contain in appropriate detail the following:

- 1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- 2) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- 3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- 4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
- 5) A statement describing any transaction during the previous fiscal year that involved more than fifty thousand dollars (\$50,000), or a series of transactions with the same person that in the aggregate involved more than fifty thousand dollars (\$50,000) and in which:
 - a) *The Corporation, its parent, or its subsidiary was a party; and*
 - b) *Any director or officer of the Corporation, its parent, or its subsidiary had a direct or indirect material financial interest (not including a mere common directorship).*
- 6) The statement of transactions described above in subsection (e) shall include:
 - a) *The names of the directors or officers involved in such transactions;*
 - b) *The person's relationship to the Corporation;*
 - c) *The nature of the person's interest in the transaction; and*
 - d) *Where practicable, the amount of such interest.*
- 7) A statement of the amount and circumstances of any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or director of the Corporation pursuant to Section 5238 of the California Nonprofit Corporation Law.

Section 10.06 Electronic Signatures

Wherever a written instrument is required to be executed hereunder, an electronic signature, to the extent permitted by applicable law, shall be deemed to be a written signature.

Article XI. Conflict of Interest Transactions

Section 11.01 SECTION 11.01

In any instance where the Corporation proposes to enter into a conflict of interest transaction, including self-dealing transactions as defined in the Corporation's Conflict of Interest Policy and under Section 5233 of the California Nonprofit Corporation Law, the Corporation shall follow the procedures and rules set out in the Conflict of Interest Policy.

Article XII. Amendments

Section 12.01

The Board may adopt, amend, or repeal bylaws by the affirmative vote of the Board except that:

- 1) Where any corporate action requires a greater vote in these bylaws, any amendment or repeal of such provision must be approved by the same greater vote.
- 2) No amendment may extend the term of a director beyond that for which the director was elected.
- 3) Such action shall be authorized at a duly called and held meeting of the Board for which written notice of such meeting, setting forth the proposed alteration, is given in accordance with the notice provisions for special meetings set forth herein.

Article XIII. Non-Discrimination

Section 13.01

In all of its dealings, neither the Corporation nor its duly authorized agents shall discriminate against any individual or group for reasons of race, color, creed, sex, age, culture, national origin, marital status, sexual preference, mental or physical handicap, or any category protected by state or federal law.

Article XIV. Reference to Articles of Incorporation

Section 14.01

References in these bylaws to the Articles of Incorporation shall include all amendments thereto or changes thereof unless specifically expected by these bylaws. In the event of a conflict between the Articles of Incorporation and these bylaws, the Articles of Incorporation shall govern.