



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**FILED**  
06-27-11  
04:59 PM

Application of Southern California Edison Company (U 338-E) for Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service In 2012, And to Reflect That Increase In Rates.	Application 10-11-015 (November 23, 2010)
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**NOTICE OF INTENT TO CLAIM INTERVENOR COMPENSATION  
AND, IF REQUESTED (and  checked), ALJ RULING  
ON SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP**

Customer (party intending to claim intervenor compensation): Black Economic Council, National Asian American Coalition (formerly Mabuhay Alliance) and the Latino Business Chamber of Greater LA			
Assigned Commissioner: Timothy Simon		Assigned ALJ: Melanie Darling	
I hereby certify that the information I have set forth in Parts I, II, III and IV of this Notice of Intent (NOI) is true to my best knowledge, information and belief. I further certify that, in conformance with the Rules of Practice and Procedure, this NOI and has been served this day upon all required persons (as set forth in the Certificate of Service attached as Attachment 1).			
Signature:		/Len Canty/ /Faith Bautista/ /Jorge Corralejo/	
Date:	06-27-2011	Printed Name:	Len Canty Faith Bautista Jorge Corralejo

**PART I: PROCEDURAL ISSUES**

(To be completed by the party ("customer") intending to claim intervenor compensation)

<b>A. Status as "customer" (see Pub. Util. Code § 1802(b)): The party claims "customer" status because it (check one):</b>	<b>Applies (check)</b>
1. Category 1: Represents consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the Commission (§ 1802(b)(1)(A))	<input checked="" type="checkbox"/>
2. Category 2: Is a representative who has been authorized by a "customer" (§ 1802(b)(1)(B)).	<input type="checkbox"/>
3. Category 3: Represents a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, to represent "small commercial customers" (§ 1802(h)) who receive bundled electric service from an electrical corporation (§ 1802(b)(1)(C)), or to represent another eligible group.	<input checked="" type="checkbox"/>
4. The party's explanation of its customer status, economic interest (if any), with any	

documentation (such as articles of incorporation or bylaws) that supports the party's "customer" status. Any attached documents should be identified in Part IV.

<b>B. Timely Filing of NOI (§ 1804(a)(1)):</b>	<b>Check</b>
1. Is the party's NOI filed within 30 days after a Prehearing Conference? Date of Prehearing Conference: _____	Yes ___ No <u>X</u>
2. Is the party's NOI filed at another time (for example, because no Prehearing Conference was held, the proceeding will take less than 30 days, the schedule did not reasonably allow parties to identify issues within the timeframe normally permitted, or new issues have emerged)?	Yes ___ No <u>X</u>
2a. The party's description of the reasons for filing its NOI at this other time: This filing is in response to ALJ Darling's June 6, 2011 ruling which allowed for an amended filing of NOI.	
2b. The party's information on the proceeding number, date, and decision number for any Commission decision, Commissioner ruling, or ALJ ruling, or other document authorizing the filing of its NOI at that other time: MD2/jt2 6/6/201 A.10-11-015 MD2/jt2. Description: Denies the Request for Hearing/Motion for Clarification and Order for Intervenor Status by Black Economic Council, National Asian American Coalition, and Latino Business Chamber of Greater Los Angeles. Joint Parties may amend their Notice of Intent to Claim.	

**PART II: SCOPE OF ANTICIPATED PARTICIPATION**

(To be completed by the party ("customer") intending to claim intervenor compensation)

<b>A. Planned Participation (§ 1804(a)(2)(A)(i)):</b>
<ul style="list-style-type: none"> <li>The party's description of the nature and extent of the party's planned participation in this proceeding (as far as it is possible to describe on the date this NOI is filed).</li> <li>The party's statement of the issues on which it plans to participate.</li> </ul>

<b>B. The party's itemized estimate of the compensation that the party expects to request, based on the anticipated duration of the proceeding (§ 1804(a)(2)(A)(ii)):</b>				
<b>Item</b>	<b>Hours</b>	<b>Rate \$</b>	<b>Total \$</b>	<b>#</b>
<b>ATTORNEY FEES</b>				
[Attorney 1]	625	535	334,375	
[Attorney 2]				

		<b>Subtotal:</b>	334,375	
<b>EXPERT FEES</b>				
Diversity Expert	200	375	75,000	
Expert 2	130	375	48,750	
Expert 3	100	375	37,500	
Expert 3	100	375	37,500	
		<b>Subtotal:</b>	198,750	
<b>OTHER FEES</b>				
Law Intern	225	135	30,375	
Paralegal	160	110	17,600	
		<b>Subtotal:</b>	47,975	
<b>COSTS</b>				
Travel		9000	9000	
[Item 2]				
[Item 3]				
		<b>Subtotal:</b>	9000	
<b>TOTAL ESTIMATE \$:</b>			590,100	
Comments/Elaboration (use reference # from above): Beginning in 1971, senior counsel has 40 year's experience before the PUC on rate cases.				
When entering items, type over bracketed text; add additional rows to table as necessary. Estimate may (but does not need to) include estimated claim preparation time. Claim preparation is typically compensated at ½ of preparer's normal hourly rate.				

**PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP**

(To be completed by party ("customer") intending to claim intervenor compensation;  
see Instructions for options for providing this information)

<b>A. The party claims "significant financial hardship" for its claim for intervenor compensation in this proceeding on the following basis:</b>	<b>Applies (check)</b>
1. "[T]he customer cannot afford, without undue hardship, to pay the costs of effective participation, including advocate's fees, expert witness fees, and other reasonable costs of participation" (§ 1802(g)); or	<input checked="" type="checkbox"/>
2. "[I]n the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding" (§ 1802(g)).	<input type="checkbox"/>
3. A § 1802(g) finding of significant financial hardship in another proceeding, made within one year prior to the commencement of this proceeding, created a rebuttable presumption of eligibility for compensation in this proceeding (§ 1804(b)(1)).	<input checked="" type="checkbox"/>
ALJ ruling (or CPUC decision) issued in proceeding number: R. 09-07-027	<input type="checkbox"/>

Date of ALJ ruling (or CPUC decision): July 10, 2010

**B. The party's explanation of the factual basis for its claim of "significant financial hardship" (§ 1802(g)) (necessary documentation, if warranted, is attached to the NOI):**

**Attached is exhibit "C".**

**PART IV: THE PARTY’S ATTACHMENTS DOCUMENTING SPECIFIC  
ASSERTIONS MADE IN THIS NOTICE**

(The party (“customer”) intending to claim intervenor compensation identifies and attaches documents (add rows as necessary.) Documents are not attached to final ALJ ruling.)

Attachment No.	Description
1	Certificate of Service
2	Exhibits A,B. and C.
3	By-Laws of the Black Economic Council, the National Asian American Coalition and the Latino Business Chamber of Greater LA

**ADMINISTRATIVE LAW JUDGE RULING<sup>1</sup>**  
(ALJ completes)

	Check all that apply
<b>1. The Notice of Intent (NOI) is rejected for the following reasons:</b>	
a. The NOI has not demonstrated status as a “customer” for the following reason(s):	
b. The NOI has not demonstrated that the NOI was timely filed (Part I(B)) for the following reason(s):	
c. The NOI has not adequately described the scope of anticipated participation (Part II, above) for the following reason(s):	
<b>2. The NOI has demonstrated significant financial hardship for the reasons set forth in Part III of the NOI (above).</b>	
<b>3. The NOI has not demonstrated significant financial hardship for the following reason(s):</b>	
<b>4. The ALJ provides the following additional guidance (see § 1804(b)(2)):</b>	

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<sup>1</sup> An ALJ Ruling will not be issued unless: (a) the NOI is deficient; (b) the ALJ desires to address specific issues raised by the NOI (to point out similar positions, areas of potential duplication in showings, unrealistic expectations for compensation, or other matters that may affect the customer’s claim for compensation); or (c) the NOI has included a claim of “significant financial hardship” that requires a finding under § 1802(g).

**IT IS RULED that:**

	<b>Check all that apply</b>
1. The Notice of Intent is rejected.	
2. Additional guidance is provided to the customer as set forth above.	
3. The customer has satisfied the eligibility requirements of Pub. Util. Code § 1804(a).	
4. The customer has shown significant financial hardship.	
5. The customer is preliminarily determined to be eligible for intervenor compensation in this proceeding. However, a finding of significant financial hardship in no way ensures compensation.	

Dated \_\_\_\_\_, at San Francisco, California.

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ADMINISTRATIVE LAW JUDGE

**Attachment 1:  
Certificate of Service by Customer**

I hereby certify that I have this day served a copy of the foregoing **NOTICE OF INTENT TO CLAIM INTERVENOR COMPENSATION** by (check as appropriate):

- hand delivery;
- first-class mail; and/or
- electronic mail

to the following persons appearing on the official Service List:  
Service List for 10-11-015

douglass@energyattorney.com  
jleslie@luce.com  
marcel@turn.org  
rdc\_law@swbell.net  
npedersen@hanmor.com  
mcultfa@sce.com  
JFWalsh@semprautilities.com  
JPacheco@SempraUtilities.com  
carl.wood@verizon.net  
rochelle@a4nr.org  
hydroesq@schat.net  
dbyers@landuselaw.com  
rkoss@adamsbroadwell.com  
ljt@cpuc.ca.gov  
bfinkelstein@turn.org  
nes@a-klaw.com  
swf5@pge.com  
epoole@adplaw.com  
bcragg@goodinmacbride.com  
dhuard@manatt.com  
hgolub@nixonpeabody.com  
RobertGnaizda@gmail.com  
speesapati@earthjustice.org  
stephaniec@greenlining.org  
pucservice@dralegal.org  
jweil@aglet.org  
kelly@votesolar.org  
kmills@cbbf.com  
atrowbridge@daycartermurphy.com  
andrewgay@arcassetltd.com  
cleo.zagrean@macquarie.com  
fred.lyn@cityofrc.us  
gregg.orrill@barclayscapital.com  
jbaird@earthjustice.org

lauren.duke@db.com  
m2h9@pge.com  
naaz.khumawala@baml.com  
ssm3@pge.com  
sue.mara@RTOadvisors.com  
mrw@mrwassoc.com  
alison@bartlewells.com  
scott.senchak@decade-llc.com  
steven@iepa.com  
jheckler@levincap.com  
marc.c.johnson@exxonmobil.com  
JPong@SempraUtilities.com  
jcorralejo@lbcgla.org  
hchoy@isd.co.la.ca.us  
klatt@energyattorney.com  
scegrc@sce.com  
kris.vyas@sce.com  
Russell.Worden@sce.com  
KMelville@SempraUtilities.com  
learl@SempraUtilities.com  
swarren@luce.com  
liddell@EnergyAttorney.com  
onell.soto@uniontrib.com  
marcie.milner@shell.com  
pgirard@semprautilities.com  
dand2847@aol.com  
faith.mabuhayalliance@gmail.com  
mdjoseph@adamsbroadwell.com  
J4LR@pge.com  
jstoddard@manatt.com  
pmarshall@manatt.com  
rkeen@manatt.com  
TKaushik@manatt.com  
aaron.joseph.lewis@gmail.com  
cem@newsdata.com  
regrelcpuccases@pge.com  
Friedmann2@llnl.gov  
lencanty@BlackEconomicCouncil.org  
dmarcus2@sbcglobal.net  
rschmidt@bartlewells.com  
brbarkovich@earthlink.net  
garrick@jbsenergy.com  
rmccann@umich.edu  
kdw@woodruff-expert-services.com  
blaising@braunlegal.com  
lmh@eslawfirm.com  
dws@r-c-s-inc.com  
roe@cpuc.ca.gov

crv@cpuc.ca.gov  
ckt@cpuc.ca.gov  
esc@cpuc.ca.gov  
dlf@cpuc.ca.gov  
dfb@cpuc.ca.gov  
eg1@cpuc.ca.gov  
fvr@cpuc.ca.gov  
md2@cpuc.ca.gov  
psp@cpuc.ca.gov  
rmp@cpuc.ca.gov  
tbo@cpuc.ca.gov

Executed this 27th day of June, 2011, at San Bruno, California.

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[Signature]

/s/ Len Canty

/s/ Jorge Corralejo

/s/ Faith Bautista

---

[Printed name and address]

Len Canty

Jorge Corralejo

Faith Bautista

1758 El Camino Real

San Bruno, CA 94066

Exhibit A: The Party's Description of the Nature and Extent of the Party's Planned Participation.

This proceeding may be the largest, most extensive and innovative major rate proceeding in the history of this Commission. The estimated hours set forth are predicated on the assumption that Edison will be fully cooperative at all stages and assumes that a number of issues can be resolved before cross examination. Given the size of the rate increase (over 4.1 billion dollars) and the innovative theories that could substantially affect the size and timing of the rate increase, it is possible if not likely that the time estimates may be significant underestimates. Also affecting time estimates and the role of experts may be the decision on the pending OIR on diversity (R. 0907027). The scope of that decision could if it promotes cooperative negotiations might significantly reduce some of the expert and legal counsel time.

Planned participation:

We will be opposing the rate increase on the following grounds:

- Impact during a Great Recession;
- Impact during a period of extremely high unemployment;
- Impact during a time of extraordinary foreclosures;
- Impact in context of failing small businesses and lack of availability of credit;
- Impact in the context of Gov. Brown's call for all Californians to share in the sacrifices necessitated by a 12.5 billion dollar cut in social services and its particularly harsh impact on underserved and minority communities.

Other issues that will be raised include:

- Excessive executive compensation and its impact not only on the amount of executive compensation but its impact on all other compensation for low level managers, union workers and other employees;
- Executive compensation in the context of LAWPD compensation and compensation in other corporate fields and the need for an independent expert since Hewitt and Associates is not independent;
- Guaranteed pension plans that are contrary to what exists in private industry and contrary to where California and other states are going on pension plans plus dollar amount of pension plans being excessive without regard to mechanism for funding;
- Concerns as to accuracy of accounting data submitted by Ernst & Young and other Big Four firms that follow identical patterns that are the subject of the New York Attorney General fraud filing against Ernst & Young and the need for an independent accounting report;
- The unusually high rate of return and excessive Edison annual dividends relative to corporate America;
- Need for an advisory rate payer vote on executive compensation.
- Inadequate energy conservation programs focused on the unemployed, returning veterans and that directed at those at 200% or below the poverty level and at those at 120% or below median income;

-Ineffective and/or inadequate community outreach programs on the Smart Grid and on energy conservation as they affect those at 200% and below the poverty level and those at 120% or below median income;

-Discriminatory rate increases against small businesses and in particular, microbusinesses;

-The Smart Connect revenue requirement may be inappropriate at this time;

- Inappropriate focus of solar and other renewable energy sources in the context of up to 98% of the benefits generally accruing to the top two percent of the population, most of whom have prospered during the Great Recession;

-Philanthropy must be disclosed even though it is paid for by the shareholders, pursuant to prior President Peevey ruling in a prior Edison case;

Lastly, a range of issues relating to diversity that depend in part and, perhaps in large part, on the results of the diversity OIR case. These issues will include:

-unbundling of large contracts;

-Major allocations based on overall procurement dollars for technical assistance and capacity building for small minority and veteran owned businesses. Since Edison is last among utilities in procurement, a focus on the doubling of the minimum goal as set forth in the OIR on diversity with specifics relating to underutilized energy, electricity and professional services categories such as accounting;

- Inadequate contract and subcontract opportunities such as legal, accounting, advertising, solar and wind power, weaknesses in training programs designed to attract minorities with engineering backgrounds;

-The creation of a Department of Energy-like STEM program;

-Inadequate number of minorities employed in managerial and professional areas including those affecting diversity policies; and

-Significant decline among Blacks in top 100 executives and gross failure to reflect population parity for Asian Americans and Latinos in top 500 and 1000 employees.

Due to the growing importance of public hearings as exemplified by the February 25<sup>th</sup> OIR relating to safety and reliability for natural gas transmission (R.11-02-019) and the development of rate payer vote on executive compensation and surveys of rate payer opinions, substantial time may be devoted to public hearings including far greater public participation.

#### Exhibit B: The Party's Statement of the Issues on Which it Plans to Participate.

All three groups, all of whom are active participants in the OIR on diversity and all of whom have extensive PUC history and experience plan to participate in all of the issues raised in Exhibit A and incorporate such by reference herein. Also incorporated referenced is the previously filed prehearing statement setting forth the issues.

The parties believe, based on past experience in resolving rate cases short of a final decision that active CEO participation and meetings between the CEO and key parties is essential. With this in mind, efforts have already been undertaken to meet with the CEO of Edison and also to meet with other senior Edison officials.

The parties herein believe that with active supervision by the Assigned Commissioner and ALJ that many of the issues can be resolved. Relating to the diversity issues, most of them can probably be resolved if the OIR on diversity decision incorporates the key points made by the parties and Commissioners Peevey and Simon at the October 2012 en banc proceeding.

#### Exhibit C: Significant Financial Hardship

It was granted in the OIR on diversity on July 10<sup>th</sup>, 2010. Since then, significant financial hardship has not diminished. For example, the cost of participation by the parties easily exceeds the budget of the BEC and exceeds or is close to the annual budgets for the LBC and NAAC, both of whom are facing greater demands for services while facing declining revenue sources. Most importantly, the benefits to the individual members and customers served are insignificant relative to the cost of participation or relative to the larger benefits that may be obtained by all rate payers from this participation.

**BYLAWS  
OF  
Black Economic Council, Inc.  
A CALIFORNIA PUBLIC BENEFIT CORPORATION**

**ARTICLE 1  
OFFICES**

**SECTION 1. PRINCIPAL OFFICE**

The principal office of the corporation for the transaction of its business is located in Alameda County, California.

**SECTION 2. CHANGE OF ADDRESS**

The county of the corporation's principal office can be changed only by amendment of these bylaws and not otherwise. The board of directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these bylaws.

_____	Dated: _____
_____	Dated: _____
_____	Dated: _____

**SECTION 3. OTHER OFFICES**

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the board of directors may, from time to time, designate.

**ARTICLE 2  
PURPOSES**

**SECTION 1. OBJECTIVES AND PURPOSES**

The primary objectives and purposes of this corporation shall be: to provide business and consumer education, information and assistance to the underserved.

Emergency Amendment of By-Laws Black Economic Council

Because CPUC decisions affect broad elements of the Black community's opportunities to succeed and share in the bounties of California's economy, the board hereby specifically authorizes as an amendment to the bylaws the following: The BEC is authorized and urged to actively participate and intervene before the CPUC on all matters that it deems appropriate

that will affect directly or indirectly Black consumer interests, Black rate payer interests and Black small business interests. This authorization is intended to be broad enough to include, for example, environmental or smart grid or any new technology issues as well as issues affecting wireless customers, small businesses, technical assistance and general ratepayers. This is consistent with the BEC's authorization, presently in the bylaws, to advocate for the Black community before any government agency, including the FCC, FTC, Department of Justice, the California Attorney General and the State Department of Insurance.

Signed and Dated by the Board of Directors of the Black Economic Council on June 9th, 2011.

### **ARTICLE 3 DIRECTORS**

#### **SECTION 1. NUMBER**

The corporation shall have three (3) directors and collectively they shall be known as the board of directors. The number may be changed by amendment of this bylaw, or by repeal of this bylaw and adoption of a new bylaw, as provided in these bylaws.

#### **SECTION 2. POWERS**

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the articles of incorporation and bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors.

#### **SECTION 3. DUTIES**

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation of this corporation, or by these bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- (c) Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these bylaws;
- (e) Register their addresses with the secretary of the corporation and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

#### **SECTION 4. TERMS OF OFFICE**

Each director shall hold office until the next annual meeting for election of the board of directors as specified in these bylaws, and until his or her successor is elected and qualifies.

## **SECTION 5. COMPENSATION**

Directors shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses incurred in attending directors' meetings. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Section 6 of this Article. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

## **SECTION 6. RESTRICTION REGARDING INTERESTED DIRECTORS**

Notwithstanding any other provision of these bylaws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

- (a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other 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.

## **SECTION 7. PLACE OF MEETINGS**

Meetings shall be held at the principal office of the corporation unless otherwise provided by the board or at such place within or without the State of California which has been designated from time to time by resolution of the board of directors. In the absence of such designation, any meeting not held at the principal office of the corporation shall be valid only if held on the written consent of all directors given either before or after the meeting and filed with the secretary of the corporation or after all board members have been given written notice of the meeting as hereinafter provided for special meetings of the board.

Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply:

- a) Each director participating in the meeting can communicate with all of the other directors concurrently;

b) Each director 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; and

c) The corporation adopts and implements some means of verifying 1) that all persons participating in the meeting are directors of the corporation or are otherwise entitled to participate in the meeting, and 2) that all actions of, or votes by, the board are taken and cast only by directors and not by persons who are not directors.

## **SECTION 8. REGULAR AND ANNUAL MEETINGS**

Regular meetings of directors shall be held on dates and times and places to be determined.

If this corporation makes no provision for members, then, at the annual meeting of directors held on the first Sunday in October at 1 PM at a location to be specified, directors shall be elected by the board of directors in accordance with this section. Cumulative voting by directors for the election of directors shall not be permitted. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Each director shall cast one vote, with voting being by ballot only.

## **SECTION 9. SPECIAL MEETINGS**

Special meetings of the board of directors may be called by the chairperson of the board, the president, the vice president, the secretary, or by any two directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

## **SECTION 10. NOTICE OF MEETINGS**

Regular meetings of the board may be held without notice. Special meetings of the board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone. If sent by mail, the notice shall be deemed to be delivered on its deposit in the mails or on its delivery to the telegraph company. Such notices shall be addressed to each director at his or her address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

## **SECTION 11. CONTENTS OF NOTICE**

Notice of meetings not herein dispensed with shall specify the place, day, and hour of the meeting. The purpose of any board meeting need not be specified in the notice.

## **SECTION 12. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS**

The transactions of any meeting of the board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

## **SECTION 13. QUORUM FOR MEETINGS**

A quorum shall consist of two (2) directors.

Except as otherwise provided in these bylaws or in the articles of incorporation of this corporation, or by law, no business shall be considered by the board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn. However, a majority of the directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 10 of this Article.

The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the articles of incorporation or bylaws of this corporation.

## **SECTION 14. MAJORITY ACTION AS BOARD ACTION**

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 of directors, unless the articles of incorporation or bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233), and indemnification of directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the board.

## **SECTION 15. CONDUCT OF MEETINGS**

Meetings of the board of directors shall be presided over by the chairperson of the board, or, if no such person has been so designated or, in his or her absence, the president of the corporation or, in his or her absence, by the vice president of the corporation or, in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Robert's Rules of Order as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with provisions of law.

#### **SECTION 16. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING**

Any action required or permitted to be taken by the board of directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the board of directors without a meeting and that the bylaws of this corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

#### **SECTION 17. VACANCIES**

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

The board of directors 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 Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

If this corporation has any members, then, if the corporation has fewer than fifty (50) members, directors may be removed without cause by a majority of all members, or, if the corporation has fifty (50) or more members, by vote of a majority of the votes represented at a membership meeting at which a quorum is present.

If this corporation has no members, directors may be removed without cause by a majority of the directors then in office.

Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the attorney general.

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 this Article of these bylaws, or (3) a sole remaining director. If this corporation has members, however, vacancies created by the removal of a director may be filled only by the approval of the members. The members, if any, of this corporation may elect a director at any time to fill any vacancy not filled by the directors.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the board of directors or until his or her death, resignation, or removal from office.

#### **SECTION 18. NONLIABILITY OF DIRECTORS**

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

#### **SECTION 19. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS**

To the extent that a person who is, or was, a director, officer, employee, or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative, or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue, or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

#### **SECTION 20. INSURANCE FOR CORPORATE AGENTS**

The board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) 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 Section 5238 of the California Nonprofit Public Benefit Corporation Law.

### **ARTICLE 4 OFFICERS**

## **SECTION 1. NUMBER OF OFFICERS**

The officers of the corporation shall be a president, a secretary, and a chief financial officer who shall be designated the treasurer. The corporation may also have, as determined by the board of directors, a chairperson of the board, one or more vice presidents, assistant secretaries, assistant treasurers, or other officers. Any number of offices may be held by the same person except that neither the secretary nor the treasurer may serve as the president or chairperson of the board.

## **SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE**

Any person may serve as an officer of this corporation. Officers shall be elected by the board of directors, at any time, and each officer shall hold office until he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

## **SECTION 3. SUBORDINATE OFFICERS**

The board of directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the board of directors.

## **SECTION 4. REMOVAL AND RESIGNATION**

Any officer may be removed, either with or without cause, by the board of directors, at any time. Any officer may resign at any time by giving written notice to the board of directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation.

## **SECTION 5. VACANCIES**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

## **SECTION 6. DUTIES OF PRESIDENT**

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of

directors, he or she shall preside at all meetings of the board of directors. If applicable, the president shall preside at all meetings of the members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

## **SECTION 7. DUTIES OF VICE PRESIDENT**

In the absence of the president, or in the event of his or her inability or refusal to act, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors.

## **SECTION 8. DUTIES OF SECRETARY**

The secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or these bylaws.

Keep at the principal office of the corporation a membership book containing the name and address of each and any member, and, in the case where any membership has been terminated, the secretary shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

## **SECTION 9. DUTIES OF TREASURER**

Subject to the provisions of these bylaws relating to the "Execution of Instruments, Deposits, and Funds," the treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.

Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

## **SECTION 10. COMPENSATION**

The salaries of the officers, if any, shall be fixed from time to time by resolution of the board of directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation, provided, however, that such compensation paid a director for serving as an officer of this corporation shall only be allowed if permitted under the provisions of Article 3, Section 6, of these bylaws. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered for the corporation which relate to the performance of the charitable or public purposes of this corporation. All officer salaries shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

## **ARTICLE 5 COMMITTEES**

### **SECTION 1. EXECUTIVE COMMITTEE OF THE BOARD**

The board of directors may, by a majority vote of directors, designate two (2) or more of its members (who may also be serving as officers of this corporation) to constitute an executive committee of the board and delegate to such committee any of the powers and authority of the board in the management of the business and affairs of the corporation, except with respect to:

- (a) The approval of any action which, under law or the provisions of these bylaws, requires the approval of the members or of a majority of all of the members.
- (b) The filling of vacancies on the board or on any committee that 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 bylaws or the adoption of new bylaws.
- (e) The amendment or repeal or 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 transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the board. The committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

## **SECTION 2. OTHER COMMITTEES**

The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. Such other committees may consist of persons who are not also members of the board. These additional committees shall act in an advisory capacity only to the board and shall be clearly titled as "advisory" committees.

## **SECTION 3. MEETINGS AND ACTION OF COMMITTEES**

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the board of directors or by the committee. The time for special meetings of committees may also be fixed by the board of directors. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

## **ARTICLE 6 EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS**

## **SECTION 1. EXECUTION OF INSTRUMENTS**

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation 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. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

## **SECTION 2. CHECKS AND NOTES**

Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer and countersigned by the president of the corporation.

## **SECTION 3. DEPOSITS**

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

## **SECTION 4. GIFTS**

The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

# **ARTICLE 7 CORPORATE RECORDS, REPORTS, AND SEAL**

## **SECTION 1. MAINTENANCE OF CORPORATE RECORDS**

The corporation shall keep at its principal office in the State of California:

- (a) Minutes of all meetings of directors, committees of the board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- (c) A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;

(d) A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

## **SECTION 2. CORPORATE SEAL**

The board of directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

## **SECTION 3. DIRECTORS' INSPECTION RIGHTS**

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.

## **SECTION 4. MEMBERS' INSPECTION RIGHTS**

If this corporation has any members, then each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

(a) To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested.

(b) To obtain from the secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses, and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.

(c) To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the corporation by the member, for a purpose reasonably related to such person's interests as a member.

## **SECTION 5. RIGHT TO COPY AND MAKE EXTRACTS**

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

## **SECTION 6. ANNUAL REPORT**

The board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all directors of the corporation and, if this corporation has members, to any member who requests it in writing, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
- (e) Any information required by Section 7 of this Article.

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

If this corporation has members, then, if this corporation receives Twenty-Five Thousand Dollars (\$25,000), or more, in gross revenues or receipts during the fiscal year, this corporation shall automatically send the above annual report to all members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants or certification of a corporate officer, as specified by the above provisions of this Section relating to the annual report.

## **SECTION 7. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO MEMBERS**

This corporation shall mail or deliver to all directors and any and all members a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

- (a) Any director or officer of the corporation, or its parent or its subsidiary (a mere common directorship shall not be considered a material financial interest); or
- (b) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than Fifty Thousand Dollars (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000).

Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the previous fiscal year

to any director or officer, except that no such statement need be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction, and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

If this corporation has any members and provides all members with an annual report according to the provisions of Section 6 of this Article, then such annual report shall include the information required by this Section.

## **ARTICLE 8 FISCAL YEAR**

### **SECTION 1. FISCAL YEAR OF THE CORPORATION**

The fiscal year of the corporation shall begin on the January 1 and end on the December 31 in each year.

## **ARTICLE 9 CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES**

### **SECTION 1. PURPOSE OF CONFLICT OF INTEREST POLICY**

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **SECTION 2. DEFINITIONS**

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **SECTION 3. CONFLICT OF INTEREST AVOIDANCE PRODEDURES**

#### **(a) Duty to Disclose.**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### **(b) Determining Whether a Conflict of Interest Exists.**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### **(c) Procedures for Addressing the Conflict of Interest.**

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and

reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **SECTION 4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS**

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **SECTION 5. COMPENSATION APPROVAL POLICIES**

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly

constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- (a) the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.
- (b) all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
  1. is not the person who is the subject of compensation arrangement, or a family member of such person;
  2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
  3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
  4. has no material financial interest affected by the compensation arrangement; and
  5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- (c) the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
  1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources
  2. the availability of similar services in the geographic area of this organization
  3. current compensation surveys compiled by independent firms
  4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- (d) the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

1. the terms of the compensation arrangement and the date it was approved
2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
3. the comparability data obtained and relied upon and how the data was obtained.
4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).
7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

## **SECTION 6. ANNUAL STATEMENTS**

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **SECTION 7. PERIODIC REVIEWS**

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

## **SECTION 8. USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **ARTICLE 10 AMENDMENT OF BYLAWS**

### **SECTION 1. AMENDMENT**

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted as follows:

(a) Subject to the power of members, if any, to change or repeal these bylaws under Section 5150 of the Corporations Code, by approval of the board of directors unless the bylaw amendment would materially and adversely affect the rights of members, if any, as to voting or transfer, provided, however, if this corporation has admitted any members, then a bylaw specifying or changing the fixed number of directors of the corporation, the maximum or minimum number of directors, or changing from a fixed to variable board or vice versa, may not be adopted, amended, or repealed except as provided in subparagraph (b) of this Section; or

(b) By approval of the members, if any, of this corporation.

## **ARTICLE 11 AMENDMENT OF ARTICLES**

### **SECTION 1. AMENDMENT OF ARTICLES BEFORE ADMISSION OF MEMBERS**

Before any members have been admitted to the corporation, any amendment of the articles of incorporation may be adopted by approval of the board of directors.

### **SECTION 2. AMENDMENT OF ARTICLES AFTER ADMISSION OF MEMBERS**

After members, if any, have been admitted to the corporation, amendment of the articles of incorporation may be adopted by the approval of the board of directors and by the approval of the members of this corporation.

### **SECTION 3. CERTAIN AMENDMENTS**

Notwithstanding the above sections of this Article, this corporation shall not amend its articles of incorporation to alter any statement which appears in the original articles of incorporation of the names and addresses of the first directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a "Statement by a Domestic Nonprofit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

## **ARTICLE 12**

### **PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

#### **SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

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

**ARTICLE 13  
MEMBERS**

**SECTION 1. DETERMINATION OF MEMBERS**

If this corporation makes no provision for members, then, pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provisions of the articles of incorporation or bylaws of this corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the board of directors.

**WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS**

We, the undersigned, are all of the persons named as the initial directors in the articles of incorporation of **Black Economic Council, Inc.**, a California nonprofit corporation, and, pursuant to the authority granted to the directors by these bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing bylaws, consisting of twenty-one (21) pages, as the bylaws of this corporation.

Dated: October 2, 2005

\_\_\_\_\_  
Kyra Canty, Director

\_\_\_\_\_  
Andree Driskell, Director

\_\_\_\_\_  
Shenita Hurskins, Director

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the bylaws of the corporation named in the title thereto and that such bylaws were duly adopted by the board of directors of said corporation on the date set forth below.

Dated: October 2, 2005

\_\_\_\_\_  
Shenita Hurskins, Secretary

## **The Bylaws of National Asian American Coalition, Incorporated**

The bylaws of National Asian American Coalition, Incorporated are hereby amended and shall be effective as of October 13, 2010.

### **ARTICLE I NAME**

The name of this corporation shall be National Asian American Coalition, Incorporated (“NAAC”, for brevity).

### **ARTICLE II PURPOSE**

The organization shall be a non-profit, public benefit corporation.

The purpose of this corporation is to improve the quality of life of America’s historically underrepresented minority communities by providing National Asian American Coalition members with networking opportunities and access to resources, which are not attainable as a single entity.

National Asian American Coalition aims to be the preferred conduit of economic development through technical assistance between the government, corporations and minority groups in California.

### **Amendment I**

Because CPUC decisions affect broad elements of the Asian American community’s opportunities to succeed and share in the bounties of California’s economy, the board hereby specifically authorizes as an amendment to the bylaws the following: The NAAC is authorized and urged to actively participate and intervene before the CPUC on all matters that it deems appropriate that will affect directly or indirectly Asian American consumer interests, Asian American rate payer interests and Asian American small business interests. This authorization is intended to be broad enough to include, for example, environmental or smart grid or any new technology issues as well as issues affecting wireless customers, small businesses, technical assistance and general ratepayers. This is consistent with the NAAC’s authorization, presently in the bylaws, to advocate for the Asian American community before any government agency, including the FCC, FTC, Department of Justice, the California Attorney General and the State Department of Insurance.

Approved by the Board of Directors of the National Asian American Coalition on June 13<sup>th</sup>, 2011.

### **ARTICLE III POWERS**

Subject to the limitations contained in the articles of incorporation, bylaws and compliance with the provisions of existing and applicable laws, National Asian American Coalition shall have all the powers of a non-profit public benefit corporation in accordance with the Corporation Code.

National Asian American Coalition is a centralized organization. Transactions and dealings shall be made through its officers with authority from the Board of Directors.

Projects and programs of the corporation such as but not limited to, off-site projects, appointment of project managers, coordinators and conduct of business outside of its principal place of business does not create or constitute chapters of National Asian American Coalition. These transactions do not grant any right to individuals or entity to gain access to documents or records of the organization.

The corporation is a non-profit corporation and no part of the net earnings of the corporation shall inure to the benefit of an individual. However, the Board of Directors may, through a resolution, allow and provide for the reasonable compensation of officers.

## ARTICLE IV MEMBERSHIP

### Section 1 Membership

Membership is acquired through acceptance by the Board of Directors of individuals that represents or belongs to historically underrepresented minority organizations, church based organizations and other Board Approved organizations and other organization with the National Asian American Coalition.

### Section 2 Voting and transferability of membership

With the sole exception of voting for the composition of the Board of Directors, members shall have no right to vote in the management and affairs of National Asian American Coalition. Membership is not transferable.

## ARTICLE V BOARD OF DIRECTORS

### Section 1 Powers

This corporation shall have all the powers granted by law. All powers and activities of this corporation shall be exercised and managed directly by the Board of Directors or if delegated, under the ultimate control and direction of the Board of Directors.

The Board of Directors shall exercise general supervision over all property and affairs of the corporation. It shall appoint the officers of the corporation.

### Section 2 Functions of the Officers and Executive

- a. The officers of this organization shall be the Chairman, Vice- Chairman, Treasurer and Secretary.
- b. The elected officers along with the Chairman of the Advisory Board And the President/Executive Director (staff member) shall comprise The Executive Board.
- c. All officers of the corporation shall serve as members of the Board.
- d. The Board of Directors shall elect the officers and the President/Executive Director. Except for the power to amend the Articles of Incorporation and By- Laws, the executive board shall have all the powers and authority of the Board

of Directors in the intervals between meeting of the BOD, subject to the direction and control of the board.

### Section 3 Composition of the Board of Directors

The Board of Directors shall come from the members of the corporation. The Board shall have no fewer than five (5) persons and shall not exceed fifteen (15) persons. The quorum for Board meetings shall be 50% plus one of the total compositions of the Board of Directors.

### Section 4 Meetings of the Board of Directors

The Board of Directors shall meet on a quarterly basis. Whenever it is necessary, the Chairman of the Executive Board shall be empowered to call for special meetings. A quorum is necessary for all actions of the Board of Directors. In the absence of a quorum, the meeting may continue for discussion purposes only without any voting action taken on any issues. To facilitate attendance and a quorum, a Board Member, with good cause, may exercise the option to participate via telephone. However, a Board Member may only use this option twice a year. In matters of urgency, a vote may be taken and duly recorded via telephone or email. The Secretary has the responsibility of recording all minutes and votes.

#### a) Removal for Excessive Absences

If a member of the Board of Directors fails to attend two (2) regular board meetings during one operational year without reasonable cause, he/she shall be relieved of his position.

#### b) Reinstatement of Board Member Removed for Absenteeism

A Board Member may be reinstated if before the next regularly scheduled meeting, he/she provides a written statement of good cause for his/her absences. The written statement of acceptance by the Chairman of the Board and Secretary is necessary to reinstate the Director. In the event of disagreement by the Chairman of the Board and the Secretary as to whether there exists good cause for reinstatement, the statement shall be submitted to the entire Board for consideration before the next regularly scheduled meeting of the Board.

### Section 5 Suspensions and Removal of a Board Member for Misconduct, Dereliction of Duty and Responsibilities and Willful Violation of Bylaws

By the majority vote of the board a member may be expelled or removed from the Board for grave misconduct, dereliction of duties and responsibilities or willful violation of the bylaws. A Board Member may be immediately suspended from the Board, upon written notice from the Chairman of the Board. A copy of the written notice of the suspension shall be provided to the other Members of the Board, including the Chairman of the Advisory Board. A special meeting shall be held as soon as possible, not to exceed

15 days from the date of suspension, to consider the charges against the Board member. Written notice of the special meeting and written charges shall be provided to all members including the suspended member before the special meeting.

#### Section 6 Resignation of a Board Member

a) A director may resign from his or her position by providing written notice to the Chairman or Secretary or the entire Board of Directors. The resignation shall be effective by written acceptance of the Board of Directors.

A director, based on his/her competency, may be offered a position on the Advisory Board, provided there is an available vacancy.

#### Section 7 Conflict of Interest of a Board Member

Whenever a Board Member or an officer has a financial or personal interest in any matter coming before the Corporation, the involved person shall fully disclose the nature of the interest and withdraw from voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested members determine that it is in the best interest of National Asian American Coalition to do so. The minutes of the meetings at which such votes were taken shall record such disclosure, abstention and rationale for approval.

#### Section 8 Executive Board

The function of the Executive Board is to administer the operations of the organization under the direction of the Board of Directors. The Executive Board shall prepare an agenda for the Board of Directors. Except for the power to amend the Articles of Incorporation and By-Laws, the Executive Board shall have all the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, subject to the direction and control of the Board of Directors. All members of the Executive Board have the right to vote at a meeting, unless otherwise specified.

#### Section 9 Members of the Executive Board

The Executive Board shall be composed of a Director to be voted upon by the Board, the Chairman of the Board and the Chief Executive Officer/President. The Chairman of the Board and the President shall serve as ex-officio member of the Executive Board. Members of the Executive Board shall have a term of two (2) years from date of election and shall serve as such until a successor is elected and qualified.

## Section 10 Elections and Vacancies at the Executive Board

- a. Each member shall assume the duties of office after one (1) month from date of election.  
Upon resignation from the Executive Board, a member relinquishes his/her position on the Executive Board but remains as a Board of Director of National Asian American Coalition.
- b. The Board of Directors, at their regular meeting or a special meeting called for that purpose, shall fill any vacancy in any office of the Executive Board. By a majority vote, the Board of Directors may censure or expel a member of the Executive Board for cause.

## Section 11 Executive Board Meetings

The Executive Board shall meet six times a year. The quorum for the executive board meeting shall be three. To facilitate a quorum, an Executive Board Member may be considered present if he or she participates via conference call.

## Section 12 Duties of the Chairman

The Chairman shall act as Chief Officer of the corporation. He/she shall also be the Chairman of the Executive Board. The Chairman shall preside at all meetings of the Executive Board and the Board of Directors. The Chairman shall be an ex-officio member of all committees except the nominating committee.

## Section 13 Duties of the Vice- Chairman.

The Vice-Chairman shall assume the duty of the Chairman in the latter's absence or incapacity. The Vice-Chairman is also the chair of the Program Planning Committee and fulfills such other duties as assigned by the Chairman.

## ARTICLE VI ADVISORY BOARD

An advisory board will be created for program consultation and fund raising purposes. Prospective members of the advisory board may be recruited from both public and private sectors. The Chairman of the Advisory Board will serve, ex officio, as a voting member of the Board of Directors.

## ARTICLE VII OFFICERS OF THE CORPORATION

### Section 1 Chief Executive Officer/President

The President shall manage the operations of the corporation. He/she shall have the power and supervision over all the staff of the corporation. The President shall have authority over programs, financial and human resource issues. The President's decisions are limited to the provisions in a budget approved by the Board of Directors. The President has discretion to approve expenditures of up to one thousand five hundred dollars (\$1,500.00). The Board of Directors must approve any amount in excess of \$1,500.00.

Duties of the President include, but are not limited to, the creation and annual update of an office policy and procedures manual. This manual should reflect applicable State and Federal Laws regarding labor, worker's compensation, hiring and firing. The President shall also have the responsibility to ensure that each employee of National Asian American Coalition has received a copy of the office policy and procedures and the employee has provided a signed acknowledgement of receipt. The President shall execute and implement projects that are approved by the Board of Directors. The President is the official spokesperson of National Asian American Coalition and shall coordinate with the public relations committee. The President has the power to appoint heads of the standing committees. The President has the authority to appoint a person to supervise a project. However, the Board of Directors at the next regular scheduled Board meeting must confirm such appointment. The President shall hold office until a replacement is appointed and qualified.

### Section 2 Secretary

The secretary shall record the minutes of all meetings of the Executive Board and Board of Directors and shall maintain a permanent record of the meetings. He/she shall prepare and circulate the items of the agenda that requires a vote of the Executive Board. He/she shall turn over to the successor an updated record of all minutes thirty (30) days before retirement from office. He/she shall be responsible in sending notices of regular and special meetings of the corporation. The Secretary shall be under the control and supervision of the Chairman of the Board. The Secretary shall have a term of office of two (2) years from date of appointment and shall sit as such until his/her replacement is appointed and qualified.

### Section 3 Treasurer

The Treasurer shall maintain accurate and updated financial records of the corporation; he/she shall have custody of the funds of the organization, which shall be deposited in the name of the corporation in a financial institution approved by the Board of Directors. He/she shall sign checks with the Chairman, Vice-Chairman, Secretary and President on behalf of the organization, disburse money of the organization by order of

the Executive Board, provide a bond annual audit, and turn over to his/her successor an updated record of all funds, accounts and books of record thirty (30) days before retirement from office.

The Treasurer shall be under the control and supervision of the Board of Directors. The Treasurer shall also ensure that the financial business of National Asian American Coalition is conducted in compliance with Article XI of these Bylaws. The Treasurer shall have a term of office of two (2) years from date of appointed and shall sit as such until his/her replacement is appointed and qualified.

All funds of the organization shall be deposited, handled and disbursed in a timely manner and in accordance with good accounting practices and principles. All bills, notes, checks and like obligations and endorsements, for deposit or collection, shall be signed as set forth in Article X of the National Asian American Coalition Bylaws.

#### Section 4 Auditor

The Board of Directors or the Executive Board may create the position of an auditor or hire an independent and outsourced auditor. The auditor shall examine and ascertain the correctness of the expense reports of the corporation covering periods as may be required by the Board of Directors.

### ARTICLE VIII MEETINGS OF THE ORGANIZATION

#### Section 1 Annual Meeting

The Executive Board shall set a semi annual meetings of the board. Notice shall be sent to the members forty-five (45) days before the semi annual board meeting and the annual advisory board meeting.

Communication to the members of the corporation will be conducted regularly. The Secretary has the responsibility to ensure that these communications are made.

#### Section 2 Special Meeting

The Chairman or the any two (2) members of the Board of Directors may call a special meeting. The purpose of the special meeting shall be stated in notice of meeting. No other business shall be conducted at the special meeting. Members shall receive the notice at least 48 hours before the special meeting.

## ARTICLE IX STANDING COMMITTEES

### Section 1 Committees

There shall be standing committees, as the corporation deems necessary, to carry on its business. The Chairman of the Board and the President shall serve as ex-officio members of all standing committees.

Standing committees are as follows: Nominating Committee, Bylaws Committee, Public Relations Committee, Program Planning Committee, Annual Economic Summit Committee and Finance Committee. The Board of Directors may add other committees, as it deems necessary.

### Section 2 Nominating Committee

The nominating committee shall be composed of at least three (3) members. The Board of Directors shall appoint them no later than the second week of January. The committee shall be responsible for preparing a slate of candidates for office, securing written information of experience for each candidate and shall present the slate at the Fourth Quarter Board of Director's meeting. The slate may be presented at a special board meeting called for this purpose. Each candidate must be a member in good standing of the National Asian American Coalition. The Secretary shall chair the Nominating Committee. The Committee shall be responsible for providing recommendations for Board membership and officers. It shall conduct new Board member recruitment, orientation and education.

### Section 3 Bylaws Committee

The Bylaws committee shall be responsible for the drafting of proposed amendments to the Bylaws. The committee chair has the responsibility of presenting the drafts to the Board of Directors for comment and correction. This committee has the responsibility to prepare and maintain policy and procedures for the conduct of the corporation's business.

### Section 4 Public Relations Committee

The Public Relations Committee shall be chaired by a Board member and shall provide coordination of communication with media (TV, radio, newspapers, magazines, newsletters, and business and education journals), assist with the development and production of promotional materials. It shall actively pursue presentation opportunities and provide speakers as needed and shall establish a master calendar for promotions, publications and events. The Public Relations Committee shall work in cooperation with the President.

## Section 5 Program Planning Committee

The Vice-Chairman shall chair the Program Planning Committee and investigate, define and recommend program needs for the organization as well as evaluation methods of outcomes. The Program Planning Committee shall work in cooperation with the President

## Section 6 Finance Committee

The Treasurer shall chair the Finance Committee. It shall oversee all operating, capital and fund raising budgets, and monthly financial statements and provide for annual audits of records.

## ARTICLE X OPERATIONAL YEAR

The operation year of the corporation shall run from 1st of January until 31st of December.

## ARTICLE XI MANAGEMENT OF FINANCES

All financial transactions of the corporation shall be conducted in accordance with generally accepted accounting practice and principles. Accounting practice and principles shall ensure that all revenues and expenditures are accounted for and authorized, respectively and all financial obligations are paid in a timely manner.

All monies and assets shall be registered in the name of National Asian American Coalition at an FDIC insured banking facility or other appropriate organization as designated by the Board of Directors. As needed, the Board of Directors may designate a "Named" Fund. Other monies and assets are considered part of the general fund unless otherwise specified.

Authorized signatories for bank drafts are the Chairman of the Board, Treasurer, Secretary and the President. No checks may be made payable to cash. All appropriate papers to document expenses must be given to the Treasurer within five (5) days from date of transaction.

In the event of the prolonged absence of any one of the signatories, the Executive Board may authorize one of its members to sign for designated transactions only.

## ARTICLE XII PARLIAMENTARY AUTHORITY

The rules contained in Revised Robert's Rules of Order shall govern the proceedings of this organization, except in cases governed by the bylaws and special rule adopted by this organization.

## ARTICLE XIII AMENDMENTS

### Section 1 Origin

The bylaws committee shall propose amendments to the bylaws of this organization.

### Section 2 Procedures for Amendment

Amendments may be adopted by the affirmative vote of the majority of the members of the Board of Directors. The proposed amendments must have been first circulated to each member of the Board of Directors at least thirty (30) days in advance of the vote for approval.

## ARTICLE XIV NONPARTISAN ACTIVITIES

This corporation has been formed under the California Nonprofit Public Benefit Corporate Law and in accordance with the provisions of the Internal Revenue Code 501 C-3 for the purpose described above, and it shall be nonprofit and nonpartisan. No part of the activities of the corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation and the corporation shall not participate in political campaigns.

## ARTICLE XV OFFICES

The principal office of the corporation is located in Suite G 9630 Black Mountain Road, San Diego California.

## ARTICLE XVI PROHIBITED AMENDMENTS

The Bylaws may not be amended to conflict with applicable State or Federal Laws or with National Asian American Coalition Articles of Incorporation.

## ARTICLE XVII VOLUNTARY DISSOLUTION

The organization may be dissolved by a two-thirds vote (2/3) of the Board of Directors. Any funds remaining in the treasury shall be used to satisfy outstanding debts. In the event that funds remain, the Board of Directors shall disperse these funds and any other assets to another approved non-profit, 501 C-3 organizations.

Approved by the Board of Directors of National Asian American Coalition on October 13, 2010.

**BYLAWS**  
**OF**  
**LATINO BUSINESS CHAMBER OF GREATER LOS ANGELES, INC.**  
A California Nonprofit Mutual Benefit Corporation

**Name**

The name of this corporation is Latino Business Chamber of Greater Los Angeles, Inc.

**Offices of the Corporation**

**Principal Office.** The principal office for the transaction of the activities and affairs of the corporation (the “principal office”) is located at 801 S. Grand Ave, Suite 400, Los Angeles, CA 90071. The Board of Directors (the “Board”) may change the principal office from one location to another.

**Other Offices.** The Board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

**Purposes and Limitations**

**General Purposes.** The specific purpose for which this corporation is organized is to promote the common business purposes of Latino-owned and operated businesses in the greater Los Angeles area. The corporation will, among other things, provide networking opportunities to members for the development of relationships for the promotion of procurement and economic development. The corporation will also connect members with policymakers and governmental entities, including the Federal Communications Commission (the “FCC”), the Federal Trade Commission (the “FTC”), the Department of Justice, the California Attorney General and the State Department of Insurance, to provide members with the opportunity to express their particular business interests to the policymakers.

The corporation is authorized and urged to actively participate and intervene before the California Public Utilities Commission on all matters that it deems appropriate that will affect directly or indirectly Latino consumer interests, Latino rate payer interests and Latino small business interests. This authorization is intended to be broad enough to include, for example, environmental or smart grid or any new technology issues as well as issues affecting wireless customers, small businesses, technical assistance and general ratepayers

**Limitations.**

Notwithstanding any other provision of these bylaws, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other

activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law.

All corporate property is irrevocably dedicated to the purposes set forth in Article III, Section A above. No part of the net earnings of this corporation shall inure to the benefit of any of its Directors, trustees, Officers, private shareholders or members, or to individuals.

On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization (or organizations) organized and operated exclusively for the promotion of the common business purposes of Latino-owned and operated businesses in the greater Los Angeles area and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law.

## **Members**

**Membership.** There shall be one class of members designated as general members. General members of the corporation shall be those business entities that are majority (fifty one percent or more) owned and controlled by Latinos. Each entity that satisfies this requirement shall be entitled to one general membership.

Associates of the corporation shall be those persons, firms, corporations, or associations who wish to support the common purposes of the corporation and to participate in the services of the corporation but who do not qualify as general members.

A person, firm, corporation, or association entitled to membership as set forth above may obtain membership by submitting an application to the corporation in the form prescribed by the Board and paying the application fee, if any, prescribed by the Board. A membership so issued shall continue until it terminates as provided by these bylaws.

Two or more persons or entities may have indivisible interests in a single membership of any class.

General members shall have the right to vote, as set forth in Section B of this Article IV, for the election of directors, on a disposition of all or substantially all of the assets of the corporation, on a merger and on dissolution. Members of each class shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law.

Nothing in this Section A shall limit the right of the corporation to refer to persons or entities associated with it as "members" even though those persons or entities are not members as defined above, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the California Nonprofit Corporation Law or the foregoing provisions of this Section A, unless that person or entity has qualified for membership and has become and remains a member as set forth above. Only a general member shall be considered a member within the meaning of California Corporations Code Section 5056.

The corporation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a member of any class, as set forth in this Article IV, upon any person or entity who does not have the right to vote on all of the matters set forth in the fourth paragraph of this Section A; provided however no such person or entity shall be a member within the meaning of Section 5056 or this Section A of Article IV.

**Voting Rights.** Subject to Sections E and F of this Article IV, as to each matter submitted to a vote of the members, each general member shall be entitled to cast a vote and each associate member shall not be entitled to cast a vote.

**Membership Fee.** Each member shall pay a membership fee and periodic dues and assessments in such amounts and at such times as shall be determined by the Board, which shall initially be as follows:

<b>General Members</b>	<b>Annual Dues</b>
New Start-Ups and Businesses with annual sales up to \$100,000	\$100.00
Businesses with sales between \$100,000 and \$2 million	\$200.00
Businesses with sales between \$2 million and \$10 million	\$300.00
Businesses with sales over \$10 million	\$500.00
Beneficiary Members	\$1,000.00

**Associate Members**

<b>Class</b>	<b>Annual Dues</b>
Non-Latino Owned Businesses	\$200.00
Non-Profits	\$100.00
Students	\$25.00
Friends (Non Business Owners)	\$100.00
Corporate Membership	\$3,000.00

In addition, in the exceptional circumstance where an individual or organization has a history of significant contributions to the Latino business community, but such individual or organization would not otherwise qualify as a General Member, the Board or a designated committee thereof, may, in its sole discretion and on a case-by-case basis, grant General Membership to such individual or organization and determine the amount of dues owed by the same.

**Transfer of Membership.** The Board may provide for the transfer of memberships, subject to such restrictions or limitations as the Board deems appropriate, including transfer upon the death, dissolution, merger, or reorganization of a member.

**Termination of Membership.** The Board may terminate or suspend a membership or expel or suspend a member for nonpayment of fees, periodic dues, or assessments or for conduct which the Board shall deem inimical to the best interests of the corporation, including, without limitation, flagrant violation of any provision of these Bylaws or failure to satisfy membership

qualifications. The Board shall give the member who is the subject of the proposed action 15 days' prior notice of the proposed expulsion, suspension, or termination and the reasons therefor. The member may submit a written statement to the Board regarding the proposed action not less than five days before its effective date. Before the effective date of the proposed action, the Board shall review any statement so submitted and shall determine the mitigating effect, if any, of the information contained in it on the proposed action. A suspended member shall not be entitled to exercise any of the voting rights set forth in Section B of this Article IV during the period of suspension. An expelled or terminated member shall cease to be a member on the effective date of expulsion or termination.

**Good Standing.** Any member who shall fail to pay any installment of fees, periodic dues, or assessments for more than 60 days after their due date shall not be in good standing and shall not be entitled to vote as a member.

**Place of Meetings.** Meetings of members shall be held either at the principal office of the corporation or at any other place within or without the State of California that is designated either by the Board or by the written consent of all persons entitled to vote at the meeting, given either before or after the meeting and filed with the Secretary. If authorized by the Board in its sole discretion and subject to the requirement of consent in Corporations Code Section 20(b) and guidelines and procedures that the Board may adopt, members not physically present in person at a meeting of members may, by electronic transmission by and to the corporation as provided in Corporations Code Sections 20 and 21 or by electronic video screen communication, participate in a meeting of members, be deemed present in person 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 the following paragraph.

A meeting of members may be conducted, in whole or in part, by electronic transmission by and to the corporation or by electronic video screen communication. If a meeting is so held: (a) the corporation shall implement reasonable measures to provide members in person 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 (b) 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 shall be maintained by the corporation. Any requests by the corporation to a member pursuant to clause (b) of Corporations Code Section 20 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 Corporations Code Section 20(b), the meeting shall be held at a physical location in accordance with the first paragraph of this Section G.

Guidelines and procedures adopted by the board referred to above shall include appropriate safeguards and restrictions of the kinds required by Corporations Code §§ 20 and 21, including appropriate passwords or other means of identification of members for purposes of transmissions to and by them.

**Annual Meetings.** Annual meetings of members shall be held on a date and at a time which shall be fixed by the Board. In any year in which directors are elected by members, the election shall be held at the annual meeting. Any other proper business may be transacted at the meeting.

**Special Meetings.** Special meetings of members may be called for any lawful purpose at any time by the Board, the Chairman of the Board, the President, not less than 5 percent of the members. Upon request in writing to the corporation addressed to the attention of the Chairman of the Board, the President, any Vice President, or the Secretary by any person(s) (other than the Board) entitled to call a special meeting of members, the officer forthwith shall cause notice to be given to the members entitled to vote that a meeting will be held at a time fixed by the Board, not less than 35 nor more than 90 days after the receipt of the request. If the notice is not given within 20 days after receipt of the request, the person(s) entitled to call the meeting may give the notice.<sup>35</sup>

**Notice of Annual or Special Meetings.** Written notice of each annual or special meeting of members shall be given not less than 10 or more than 90 days before the date of the meeting to each member entitled to notice of it; provided, however, that if notice is given by mail and is not mailed by first-class, registered, or certified mail, the notice shall be given not less than 20 days before the meeting. The notice shall state the place, date and hour of the meeting, the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting, and (a) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (b) in the case of the annual meeting, those matters which the Board, at the time of the mailing of the notice, intends to present for action by the members, but, subject to the provisions of applicable law, any proper matter may be presented at the meeting for action by the members. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is sent to members.

Any approval of the members, other than unanimous approval by those entitled to vote, under the following sections of the California Corporations Code shall be valid only if the general nature of the proposal so approved was stated in the notice of meeting or in any written waiver of notice:

Corp. Code § 7222: removal of directors or reduction in number of directors;

Corp. Code § 7224: filling vacancies on the board resulting from removal by members;

Corp. Code § 7233: contracts in which a director has a material financial interest;

Corp. Code § 7812: certain amendments of the articles of incorporation;

Corp. Code § 8610: election to wind up and dissolve; and

Corp. Code § 8719: certain distributions during winding up other than cash to a class of members.

Notice of a members' meeting shall be given either personally, (subject to the provisions and requirements of the last paragraph of Section G of this Article IV) by electronic transmission by the corporation, or by mail or by other means of written communication, addressed to a member at the address of the member appearing on the books of the corporation or given by the member to the corporation for the purpose of notice, or, if no such address appears or is given, at the place where the principal office of the corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal office is located. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

If any notice or report addressed to a member at the address of the member appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the member at that address, all future notices or reports shall be deemed to have been duly given without further mailing if the notice or report shall be available for the member upon written demand at the principal office of the corporation for a period of one year from the date of the giving of the notice or report to all other members.

Notice given by electronic transmission by the corporation as provided above shall be valid only if it complies with Corporations Code Section 20. Further, notwithstanding the foregoing, notice shall not be given by electronic transmission by the corporation as provided in this section after either of the following: (a) the corporation is unable to deliver two consecutive notices to the member by that means; or (b) the inability to so deliver the notice to the member becomes known to the secretary, any assistant secretary, the transfer agent or any other person responsible for giving the notice.

**Quorum.** A majority of the voting power, represented at the meeting in person shall constitute a quorum at any meeting of members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by class is required by law, by the Articles, or by these Bylaws, except as provided in the following sentence. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum or by such greater number, if any, required by the Nonprofit Mutual Benefit Corporation Law, the Articles or these Bylaws.

**Adjourned Meetings and Notice Thereof.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the votes represented at the meeting in person but in the absence of a quorum (except as provided in

Section K of this Article IV) no other business may be transacted at the meeting. No meeting may be adjourned for more than 45 days.

It shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at it, other than by announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting (or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate). If, however, 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 adjourned meeting, is entitled to vote at the meeting, as in the case of the meeting as originally called.

**Voting.** The only members entitled to notice of any meeting or to vote at any meeting shall be persons in whose name memberships stand on the records of the corporation on the record date or dates determined in accordance with Section N of this Article IV. Subject to the following sentence and to the provisions of Section 7615 of the California Nonprofit Mutual Benefit Corporation Law, every member entitled to vote at any election of directors may cumulate that member's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the member is normally entitled, or distribute the member's votes on the same principle among as many candidates as the member thinks fit. No member shall be entitled to cumulate votes for a candidate or candidates pursuant to the preceding sentence unless the candidate's name or candidates' names have been placed in nomination before the voting and the member has given notice at the meeting before the voting of the member's intention to cumulate the member's votes. If any one member has given such notice, all members may cumulate their votes for candidates in nomination.

Elections need not be by ballot; provided, however, that an election of directors must be by ballot if demanded by a member at the meeting before the voting begins.

In any election of directors, the candidates receiving the highest number of votes are elected, up to the number of directors to be elected.

If a membership stands of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, voting trustees, persons entitled to vote under a voting agreement or otherwise, or if two or more persons have the same fiduciary relationship respecting the same membership, unless the Secretary of the corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

If only one votes, that act binds all; or

If more than one vote, the act of the majority so voting binds all.

Voting shall in all cases be subject to the provisions of Chapter 6 of the California Nonprofit Mutual Benefit Corporation Law.

**Record Date.** The Board may fix, in advance, a record date for the determination of the members entitled to notice of any meeting of members or entitled to exercise any rights in respect of any lawful action. The record date so fixed shall be not more than 60 days nor less than 10 days before the date of the meeting nor more than 60 days prior before any other action. When a record date is so fixed, only members of record on that date are entitled to notice, to vote, or to exercise the rights for which the record date was fixed. A determination of members of record entitled to notice of a meeting of members shall apply to any adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting. The Board shall fix a new record date if the meeting is adjourned for more than 45 days.

If no record date is fixed by the Board, the record date for determining members entitled to notice of a meeting of members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. If no record date is fixed by the Board, members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting of members or, in case of an adjourned meeting, members on the day of the adjourned meeting who are otherwise eligible to vote are entitled to vote at the adjourned meeting of members. The record date for determining members for any purpose other than set forth in this Section N or Section J of this Article IV shall be at the close of business on the day on which the Board adopts the resolution relating thereto, or the sixtieth day before the date of such other action, whichever is later.

**Consent of Absentees.** The transactions of any meeting of members, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present in person and if, either before or after the meeting, each of the persons entitled to vote who was not present in person provides a waiver of notice or a consent to the holding of the meeting or an approval of the minutes of the meeting in writing. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at the meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by the California Nonprofit Mutual Benefit Corporation Law to be included in the notice but not so included, if the objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of members need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes of the meeting, except as provided in Section 7511(f) of the California Nonprofit Mutual Benefit Corporation Law.

**Action Without Meeting.** Subject to Sections 7511, 7513, and 7514 of the California Nonprofit Mutual Benefit Corporation Law, any action except election of directors that, under any provision of the California Nonprofit Mutual Benefit Corporation Law, may be taken at any regular or special meeting of members, may be taken without a meeting if (a) the written ballot of every member is solicited by the corporation in conformity with those Code sections, (b) the number of ballots cast within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (c) the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of

votes cast was the same as the number of votes cast by ballot. Unless a record date for voting purposes is fixed as provided in Section N of this Article II, the record date for determining members entitled to cast written ballots pursuant to this Section P, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited, whichever is first. If approved by the board of directors, written ballots and any related material may be sent by electronic transmission by the corporation and responses may be returned by electronic transmission to the corporation as those terms are used and subject to the applicable provisions of Section G of this Article IV.

Alternatively, any action required or permitted to be taken by the members may be taken without a meeting, if all members individually or collectively consent in writing (including by electronic transmission to the corporation) to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members.

**Proxies.** Persons entitled to vote a membership may do so only in person. A member which is not a natural person may vote in person through any natural person or persons who are duly appointed by that member to do so. Voting rights may not be exercised by proxies.

**Inspectors of Election.** In advance of any meeting of members, the Board may appoint inspectors of election to act at the meeting and any adjournment of it. If inspectors of election are not appointed in advance of a meeting, or if any persons so appointed fail to appear or refuse to act, the presiding officer of the meeting may, and on the request of any member, make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more members, the majority of members represented in person shall determine whether one or three inspectors are to be appointed. In the case of any action by written ballot without a meeting as provided for in Section P of this Article IV, the Board may also appoint inspectors of election.

Whether the election is at a meeting or by written ballot without a meeting, the powers and duties of the inspectors shall be as prescribed by Section 7614(b) of the California Nonprofit Mutual Benefit Corporation Law and shall include: determining the number of memberships outstanding and the voting power of each; determining the memberships represented at the meeting (or consenting); determining the existence of a quorum; receiving votes, ballots, or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and doing such acts as may be proper to conduct the election or vote with fairness to all members. If there are three inspectors of election, the decision, act, or certificate of a majority is effective in all respects as the decision, act, or certificate of all.

**Conduct of Meeting.** The President shall be the Presiding Officer at all meetings of the members. The Presiding Officer shall conduct each meeting in a businesslike and fair manner, but shall not be obligated to follow any technical, formal, or parliamentary rules or principles of procedure. The Presiding Officer's rulings on procedural matters shall be conclusive and binding on all members, unless at the time of a ruling a request for a vote on the ruling is made to the members entitled to vote and which are represented in person at the meeting, in which case the decision of a majority of the voting power represented at the meeting shall be conclusive and

binding on all members. Without limiting the generality of the foregoing, the Presiding Officer shall have all of the powers usually vested in the chair of a meeting of members.

## **Directors**

### **Powers.**

**General Corporate Powers.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws regarding actions that require approval of the members, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

**Specific Powers.** Without prejudice to the general corporate powers set forth in Article V, Section A.1 of these bylaws, but subject to the same limitations, the Directors shall have the power to:

Appoint and remove, at the pleasure of the Board, all of the corporation's Officers, agents, and employees; prescribe powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; and fix their compensation and require from them security for faithful performance of their duties.

Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country and conduct its activities within or outside California.

Adopt and use a corporate seal.

Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities; provided, however, that any indebtedness greater than \$200,000 may not be incurred without the approval of sixty percent (60%) of the directors.

### **Number of Directors.**

**Authorized Number.** The authorized number of Directors of this corporation shall consist of at least seven (7) but no more than thirteen (13) Directors, but such numbers may be increased or decreased by amendment to these bylaws in the manner set forth in Article XII hereof.

**Restriction on Interested Persons as Directors.** No more than forty nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person 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;

and (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 such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

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

**Term.** The initial Directors of the corporation shall be: Jorge Corralejo, Javier Pacheco, Jim Contreras, Victor Florian, Jonathan Sanchez, Fernando Torres-Gil, Michael Luna, Irene Portillo, Raquel de la Hoya, Frank Villalobos, Gil Vasquez and Daniel Valle. Each initial Director shall hold office for four (4) years and until a successor has been elected and qualified. Thereafter, the directors shall be elected at every other annual meeting of Members, with the directors then elected serving two (2) year terms. If any annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of Members held for that purpose. Each newly elected director shall hold office until the next annual meeting of Members where director elections take place and until a successor has been elected and qualified.

**Qualifications.** The elected Directors shall consist of persons interested in promoting and encouraging the common business purposes of the corporation's members within the meaning of Section 501(c)(6) of the Internal Revenue Code. All candidates for director must be general members in good standing with the corporation, as prescribed in Article IV. All candidates for director must have been a general member of the corporation for [ ] months prior to their election.

### **Vacancies on Board.**

**Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death or resignation of any Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Mutual Benefit Corporation Law. A Director who was designated as a Director, (rather than elected) may be removed by vote of the Board.

**Resignations.** Except as provided below, any Director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no Director may resign if the corporation would be left without a duly elected Director or Directors.

**No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

## **Director's Meetings.**

**Place of Meetings.** Meetings of the Board may be held at any place within or outside California that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

**Meetings by Telephone.** A member of the Board may participate in a meeting by telephone, electronic video screen, or other communications equipment if:

each participating Board member can communicate with all members concurrently;

each Board member is provided the means of participating in all matters before the Board, including the capacity to propose or object to a specific action; and

the corporation adopts and implements a procedure which verifies that:

a person who is communicating by such means is a Director entitled to participate in the Board meeting, and

all statements, questions, actions, or votes were made by that person and not by another person not permitted to participate as Director.

**Annual Meeting.** During any period of time during which the corporation has three (3) or more Directors, the Board shall hold an annual meeting for the transaction of business in October each year. Notice of this meeting is not required.

**Other Regular Meetings.** Other regular meetings of the Board may be held without notice at such time and place as the Board shall fix from time to time.

## **Special Meetings.**

**Authority to Call.** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, the Secretary, or any two Directors.

## **Notice.**

**Manner of Giving Notice.** Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (1) by personal delivery of written notice; (2) by first class mail, postage prepaid; (3) by telephone, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (4) by telegram, charges prepaid, or (5) by electronic mail ("e-mail"). Written notice may include facsimile, telegram, and electronic devices. Oral notice may include communication by electronic devices. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the corporation.

**Time Requirements.** Notices sent by first class mail shall be deposited in the United States mail at least four (4) business days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph or e-mail shall be delivered, telephoned, or given to the telegraph company at least two (2) business days before the time set for the meeting.

**Notice Contents.** The notice shall state the time of the meeting, and the place if the place is other than the principal office of the corporation. Such notice need not specify the purpose of the meeting.

**Quorum.** A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions related to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common Directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

**Waiver of Notice.** Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

**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 Adjourned Meeting.** Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

**Action Without A Meeting.** Any action that the Board is required or permitted to take may be taken without a meeting, if all members of the Board consent in writing to the action. The consent of any Director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested director" as defined in Section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

**Compensation and Reimbursement.** Directors may receive such compensation, if any, for their services as Directors or Officers, and such reimbursement of expenses, as the Board may determine by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

### **Committees of Board of Directors.**

**Creation and Powers of Committees.** The Board, by resolution adopted by a majority of the Directors then in office, may create one (1) or more committees, made up only of Directors and consisting of at least two (2) members, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one (1) or more Directors as alternate members of any such committee, who may replace any absent members at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may:

Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;

Fill vacancies on the Board or any committee of the Board;

Fix compensation of the Directors for serving on the Board or on any committee;

Amend or repeal bylaws or adopt new bylaws;

Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;

Create any other committees of the Board or appoint the members of committees of the Board;

Expend corporate funds to support a nominee for Director if more have been nominated for Director than can be elected; or

Approve any contract or transaction to which the corporation is a party and in which one or more of its Directors has a material financial interest, except as provided in Corporations Code Section 7233(d).

**Meetings and Action of Committees.** Meetings and actions of committees of the Board shall be governed by, held and taken under the provisions of these bylaws concerning meetings and other Board actions, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board has not adopted rules, the committee may do so.

## **Officers**

**Officers of the Corporation.** The Officers of the corporation shall be a President, a Senior Vice President, an Executive Vice President, a Secretary, and a Treasurer. The corporation may also have, at the Board's discretion, a Chairman of the Board, one or more assistant Secretaries, one or more assistant Treasurers, and such other Officers as may be appointed in accordance with Article VI, Section C of these bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as either the President or the Chairman of the Board. The President and Chairman of the Board may, but need not be, the same person.

**Election of Officers.** The Officers of the corporation shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of any Officer under any contract of employment.

**Other Officers.** The Board may appoint any other Officers that the corporation may require. In addition, the Board may authorize the Chairman of the Board or the President to appoint any other Officers that the corporation may require. Each Officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined by the Board.

**Removal of Officers.** Without prejudice to any rights of an Officer under any contract of employment, any Officer may be removed with or without cause by the Board and also, if the Officer was not chosen by the Board, by any Officer on whom the Board may confer that power of removal.

**Resignation of Officers.** Any Officer may resign at any time by giving written notice to the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the Officer is a party.

**Vacancies in Office.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

### **Responsibilities of Officers.**

**Chairman of the Board.** If a Chairman of the Board is elected, he or she shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no President, the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties of the President of the corporation prescribed by these bylaws.

**President.** Subject to such supervisory powers as the Board may give to the Chairman of the Board, if any, and subject to the control of the Board, the President shall be the

general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and Officers. The President shall preside at all members' meetings, if any, and, in the absence of the Chairman of the Board, or if there is none, at all Board meetings. The President shall have such other powers and duties as the Board or the bylaws may prescribe, including holding regular meetings of the officers of the corporation.

**Senior Vice President.** If the President is absent or disabled, the Senior Vice President, shall perform all duties of the President. When so acting, the Senior Vice President shall have all powers of and be subject to all restrictions on the President. The Senior Vice President shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

**Executive Vice President.** If the President and Senior Vice President are absent or disabled, the Executive Vice President, shall perform all duties of the President. When so acting, the Executive Vice President shall have all powers of and be subject to all restrictions on the President. The Executive Vice President shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

#### **Secretary.**

**Book of Minutes.** The Secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings, if any. The minutes of meetings shall include the time of and place that the meeting was held, whether the meeting was annual, regular, special or general and, if special, how authorized, the notice given, the names of those present at Board and committee meetings, and the number of members present or represented at members' meetings, if any. The Secretary shall keep or have kept at the principal office in California a copy of the articles of incorporation and bylaws, as amended to date.

**Notices, Seal, and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the members, if any, of the Board, and of committees of the Board required by the bylaws. The Secretary shall keep the corporate seal in safe custody, and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

#### **Treasurer.**

**Books of Account.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

**Deposit and Disbursement of Money and Valuables.** The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Board may designate, shall disburse the

corporation's funds as the Board may order, shall render to the President, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

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

### **Other Provisions Regarding Directors and Officers**

**Loans to Directors and Officers.** This corporation shall not lend any money or property to or guarantee the obligation of any Director or Officer without the approval of the California Attorney General; provided, however, that the corporation may advance money to a Director or Officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or Officer would be entitled to reimbursement for such expenses by the corporation.

**Contracts with Directors and Officers.** No Director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's Directors have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding the Director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of the interested Directors; (c) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into.

This Article does not apply to a transaction that is part of an educational or charitable program of this corporation if it (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more Directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

### **Indemnification**

**Right of Indemnity.** To the fullest extent permitted by law, this corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of

the California Corporations Code, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any proceeding, including an action by or in the right of the corporation, by reason of the fact that such person is or was a person described by that Section. "Expenses", as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

**Approval of Indemnity.** On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine in accordance with Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if it has, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of members, if possible. At that meeting, the members shall determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if it has, the members present at the meeting in person shall authorize indemnification.

**Advancement of Expenses.** To the fullest extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Article VIII, Sections A and B of these bylaws in defending any proceeding covered by those Articles shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

## **Insurance**

The corporation shall have the power to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's, Director's, employee's or agent's status as such.

## **Records and Reports**

**Maintenance of Corporate Records.** The corporation shall keep adequate and correct books and records of account; and written minutes of the proceedings of its members, if any, the Board of Directors, and committees of the Board. The Secretary shall keep all corporate records up to date and in the principal office of the corporation. All records shall be updated within 15 days of any corporate action.

**Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties,

and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

**Annual Report.** The Board shall cause an annual report to be provided to its Directors within one hundred twenty (120) days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.

The principal changes in assets and liabilities, including trust funds.

The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes.

The expenses or disbursements of the corporation for both general and restricted purposes.

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

This requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors.

### **Construction and Definitions**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law as amended from time to time shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a legal entity and a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

### **Amendments**

**General.** The Board of Directors may adopt, amend or repeal these bylaws unless the action would materially and adversely affect the corporation's purposes or the corporation's status as an organization exempt from taxation under Section 501(a) of the Internal Revenue Code as an organization described within Section 501(c)(6) of the Internal Revenue Code. A

vote of sixty percent (60%) of the directors shall be required to amend any provision of these bylaws.

**High Vote Requirement.** If any provision of these bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

### **Annual Statement of Certain Transactions and Indemnifications**

As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall within one hundred twenty (120) days after the end of the corporation's fiscal year, annually prepare and mail or deliver to each member and furnish to each Director a statement of any transaction or indemnification of the following kind:

Any transaction (i) in which the corporation, or its parent or subsidiary, was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either

Any Director or Officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

Any holder of more than ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is partner, only the interest of the partnership need be stated.

Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director of the corporation under these bylaws, unless that indemnification has already been approved by the members under Corporation Code Section 7237(e)(2).

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**BYLAWS**

**OF**

**LATINO BUSINESS CHAMBER OF GREATER LOS ANGELES, INC.**  
A California Nonprofit Mutual Benefit Corporation

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