

BYLAWS
OF
DEPOSITION REPORTERS ASSOCIATION OF CALIFORNIA, INC.

A California Nonprofit Mutual Benefit Corporation

ARTICLE I
OFFICES OF THE CORPORATION

Section 1. PRINCIPAL EXECUTIVE OFFICE. The principal executive office of the Corporation shall be located at such place within the State of California as the Board of Directors shall determine from time to time. The Board of Directors may change the principal office from one location to another at any time.

Section 2. OTHER OFFICES. The Board of Directors may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

ARTICLE II
PURPOSES AND LIMITATIONS

Section 1. GENERAL PURPOSES. The Corporation is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

Section 2. SPECIFIC PURPOSES. Within the context of the general purposes stated above, the purposes of the Corporation shall be and include the following:

(a) To promote the purpose and effectiveness of deposition reporting, generally, by any and all means consistent with the public purpose.

(b) To advance the interests and general welfare of the deposition reporting profession.

(c) To promote and enhance the leadership and enlightenment of deposition reporters and of the

public, generally, regarding the special competence, importance and value of deposition reporters, and to promote certified shorthand reporting over alternative reporting methods.

(d) To promote a broader understanding and acceptance of deposition reporters as an integral part of the judicial system.

(e) To apply the knowledge and experience of deposition reporters, working in cooperation with judges and lawyers, toward the upgrading and improvement of the criminal and civil justice system, in order that the public good may best be served, and to promote a broader understanding within the profession of the responsibility of deposition reporters to participate actively in the achievement of this objective.

(f) To encourage, establish, and maintain high standards of professional education, competence, and performance of deposition reporters.

(g) To conduct and promote lawful and proper technical and other research to enhance the services of deposition reporters.

(h) To promote lawful and proper professional ethics, as well as compliance with all applicable laws, including antitrust laws, for deposition reporters.

(i) To stimulate and encourage the establishment and maintenance of appropriate training and educational facilities and programs for persons interested in the profession of deposition reporting, and to promote deposition reporting as a successful career.

(j) To cooperate with federal, state, and local governments, their agencies, and other organizations

for the benefit of the public and the deposition reporting profession.

(k) To conduct and sponsor educational seminars and conferences relating to deposition reporting.

(l) To further the exchange of professional knowledge and to disseminate, by all appropriate means and to the extent permitted by law, accurate knowledge and information with respect to the deposition reporting profession.

(m) To provide, enhance, and sponsor opportunities for the exchange of experiences and opinions relating to deposition reporting through discussions, study and publications.

(n) To conduct and sponsor competitions, and to make awards for outstanding ability in deposition reporting.

(o) To conduct, sponsor and cooperate in courses of study for the continuing education of deposition reporters, and to hold and sponsor meetings and conferences for the mutual improvement and education of members.

(p) To acquire, preserve and disseminate data and information relative to the functions and accomplishments of deposition reporters.

(q) Subject to prior approval of the Board of Directors of the Corporation, to take positions and express opinions on issues directly, or indirectly, and generally affecting certified shorthand reporting as such.

(r) To do any and all things that are lawful and appropriate in the furtherance of these purposes.

Section 3. LIMITATIONS. Notwithstanding any other provision of these Bylaws, the Corporation shall not engage in any activities or exercise any powers that are not in furtherance of the purposes of the Corporation.

ARTICLE III MEMBERS AND MEMBERSHIPS

Section 1. GENERAL ELIGIBILITY. Any person dedicated to the purposes of the Corporation and who meets the qualifications for one of the classes of membership, as hereinafter provided, shall be eligible for membership on approval of the membership application by the Board of Directors and the payment of such dues and fees as the Board of Directors may fix from time to time.

Section 2. CLASSES OF MEMBERS. The Corporation shall have four (4) classes of Members, designated as follows:

- (a) Professional Members.
- (b) Student Members.
- (c) Associate Members.
- (d) Retired Lifetime Members.

Section 3. QUALIFICATIONS FOR PROFESSIONAL MEMBERSHIP. Any person whose primary reporting income is derived from the practice of deposition reporting or general reporting and who is a holder, in good standing, of a current Certified Shorthand Reporter license issued by the State of California shall be eligible for Professional Membership.

Section 4. QUALIFICATIONS FOR STUDENT MEMBERSHIP. Any student of verbatim shorthand reporting who is enrolled in a verbatim shorthand reporting training program shall be eligible for Student Membership.

Section 5. QUALIFICATIONS FOR ASSOCIATE MEMBERSHIP. Upon, and subject to, payment of such membership dues as may be assessed from time to time by the Board of Directors (but which shall not exceed the membership dues of Professional Members), the following shall be eligible for membership as Associate Members:

- (a) Any person, partnership, corporation, LLC, educational institution or other entity interested in the advancement of the shorthand reporting profession and the advancement of the aims of the Association shall be eligible for Associate Membership.

(b) Any person whose primary reporting income is derived from working as an Official or an Official pro tem Court Reporter and who is a holder, in good standing, of a current Certified Shorthand Reporter license issued by the State of California shall be eligible for Associate Membership.

(c) Any person who has passed the National Court Reporters Association Registered Professional Reporter examination shall be eligible for Associate Membership.

Section 6. QUALIFICATIONS FOR RETIRED LIFETIME MEMBERSHIP. Any person who has been a Professional Member of the Corporation for at least twenty (20) years and who is no longer engaged in any aspect of shorthand reporting shall be eligible for Retired Lifetime Membership. Retired Lifetime Members are exempt from the payment of dues.

Section 7. MEMBERSHIP PRIVILEGES. The privileges of membership in the Corporation shall include the following:

(a) Any person accepted as a Professional Member shall be entitled to all privileges of membership, including voting, nominating and holding office (as an officer or Director).

(b) Any person, partnership, corporation, LLC, educational institution or other entity accepted as either a Student, or Associate Member shall be entitled to all privileges of membership except voting, nominating, and holding office (as an officer or Director).

(c) Any person accepted as a Retired Professional Member shall be entitled to all privileges of membership except holding office (as an officer or Director).

(d) Members who have the right to vote, as set forth in these Bylaws, shall have the right to vote on the election of Directors and officers, on the disposition of all or substantially all of the assets of the Corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation. In addition,

those Members shall have all rights afforded Members under the California Nonprofit Mutual Benefit Corporation Law except as otherwise set forth in these Bylaws.

(e) Any Member in good standing shall be entitled to attend all Member meetings and Board meetings of the Corporation.

Section 8. DUES, FEES, AND ASSESSMENTS. The Board of Directors shall fix, from time to time, the dues, fees and assessments payable by each class of Members. As a condition of Membership, each Member must pay, within the time and on the conditions set by the Board of Directors, the dues, fees, and assessments in amounts to be fixed from time to time by the Board of Directors. The dues, fees, and assessments shall be equal for all Members of the same class, but the Board of Directors may, in its discretion, set different dues, fees, and assessments for each separate class of Memberships. Nothing in these Bylaws shall prohibit or prevent any Member from making voluntary contributions to the Corporation.

Section 9. MEMBERSHIP APPLICATION PROCEDURE. The Board of Directors shall establish, from time to time, in addition to the conditions set forth in these Bylaws, reasonable conditions of Membership. Any person desiring Membership (of any class) in the Corporation must submit a written application accompanied by the membership fee as fixed from time to time by the Board of Directors or otherwise prescribed herein, and state in the application that the applicant possesses the qualifications for Membership required by these Bylaws. Said application shall be filed with the Executive Director or the Administrative Director, or if there is neither, to the Secretary, who shall forward the application to the Board of Directors for review. The Board of Directors shall vote to approve or reject each applicant. Upon acceptance the applicant shall be enrolled in the applicable class of Membership of the Corporation. In case of rejection of applicant, the membership fee shall be returned to the applicant with the notice of rejection.

Section 10. MEMBERS IN GOOD STANDING. Those Members who have qualified

for Membership and who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be Members in good standing.

Section 11. SUSPENSION AND TERMINATION OF MEMBERSHIP. Members are subject to suspension and termination of their Membership as provided in this Section.

(a) **Termination of Membership:** A Membership shall terminate on occurrence of any of the following events:

(i) Resignation of a Member, on reasonable notice to the Corporation;

(ii) Expiration of the period of Membership, unless the Membership is renewed on renewal terms fixed or approved by the Board of Directors;

(iii) Failure of a Member to pay dues, fees, or assessments as set by the Board of Directors;

(iv) Occurrence of any event that renders a Member ineligible for Membership or failure to satisfy Membership qualifications;

(v) Expulsion of the Member under these Bylaws, based on the good faith determination by the Board of Directors that the Member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

(b) **Suspension of Membership:** A Member may be suspended, under these Bylaws, based on the good faith determination by the Board of Directors that the Member has failed in a material and serious degree to observe the Corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation. A person whose Membership is suspended shall not be a Member during the period of suspension.

(c) **Procedure for Expulsion or Suspension:** If grounds appear to exist for expulsion

or suspension of a Member under these Bylaws, the procedure set forth below shall be followed:

(i) The Member shall be given fifteen (15) days' prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by first-class or registered mail to the Member's last address as shown on the Corporation's records.

(ii) The Member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion. The hearing shall be held, or the written statement considered, by the Board of Directors.

(iii) The Board of Directors shall vote on whether or not the Member should be expelled, suspended, or sanctioned in some other way. Expulsion, suspension, or sanction shall require a minimum two-thirds (2/3) vote of the Board of Directors.

(iv) Any action challenging an expulsion, suspension, or termination of Membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

(d) **Appeal Process for Expulsion or Suspension:** Any Member may appeal the decision of the Board of Directors at the Annual Meeting of the Corporation, providing that notice of intent to appeal is provided to the President at least ten (10) days in advance of the Annual Meeting. Providing that a quorum exists, a minimum two-thirds (2/3) vote of the Professional Members present at the Annual Meeting is required to overturn the expulsion or suspension of a Member.

Section 12. TRANSFER OF MEMBERSHIP. Membership is a personal right of the Member, and a Membership, or any right arising from a Membership, may not be transferred. All rights of Membership cease on the Member's death or dissolution.

Section 13. RESIGNATION. Any Member

may resign by filing a written resignation with the President or the Board of Directors, but such resignation shall not relieve the Member so resigning of the obligation to pay any dues or other charges theretofore accrued and unpaid.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. ANNUAL MEETING. The Annual Meeting of the Members of the Corporation (the Annual Meeting) shall be held at such time and place, each year, as the Board of Directors shall determine.

Section 2. SPECIAL MEETINGS.

(a) **Persons Authorized to Call:** A special meeting of the Members may be called at any time for any lawful purpose by the Board of Directors or by the President, and shall be called by the President upon receipt of a written request made by five percent (5%) or more of the Professional Members.

(b) **Calling Special Meetings:** A special meeting called by any person or persons (other than the Board of Directors) authorized to call a meeting shall be called by written request or notice, specifying the general nature of the business proposed to be transacted, and submitted to the President, President-Elect, Vice President, or the Secretary of the Corporation. The Secretary shall cause notice to be given promptly to the Members entitled to vote stating that a meeting will be held at a specified time and date fixed by the Board of Directors, provided, however, that the meeting date shall be at least thirty-five (35) days, but no more than sixty (60) days, after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of Members may be held when the meeting is called by the Board of Directors.

(c) **Proper Business of Special Meetings:** The business to be transacted at any special meeting shall be stated in the notice thereof, and no other business may be considered at that time (unless otherwise provided by applicable law).

Section 3. ELECTRONIC MEETINGS

(a) **Authority for Electronic Meetings:** If authorized by the Board of Directors in its sole discretion, and subject to the requirements of consent in Corporations Code §20(b) and guidelines and procedure the Board of Directors may adopt, Members not physically present in person (or, if proxies are allowed, by proxy) at a meeting of Members may, by electronic transmission by and to the Corporation or by electronic video screen communication, participate in a meeting of Members, be deemed present in person (or, if proxies are allowed, by proxy), and vote at a meeting of Members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the Corporation or by electronic video screen communication, subject to the requirements of these Bylaws.

(b) **Requirements for Electronic Meetings:** A meeting of the Members may be conducted, in whole or in part, by electronic transmission by and to the Corporation or by electronic video screen communication (1) if the Corporation implements reasonable measures to provide Members in person (or, if proxies are allowed, by proxy) a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any Member votes or takes other action at the meeting by means of electronic transmission to the Corporation or electronic video screen communication, a record of that vote or action is maintained by the Corporation. Any request by a Corporation to a Member pursuant to Corporations Code §20(b) 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 §20(b), the meeting shall be held at a physical location.

Section 4. NOTICE REQUIRED FOR MEETINGS OF MEMBERS.

(a) **General Notice Requirements:** Whenever Members are required or permitted to take any action at a meeting, written notice of the meeting

shall be given to each Member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting and the means of electronic transmission by and to the Corporation to electronic video screen communication, if any, by which Members may participate in the meeting. For the Annual Meeting, the notice shall state the matters that the Board of Directors, at the time notice is given, intends to present for action by the Members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which Directors and/or officers are to be elected shall include the names of all persons who are nominees when notice is given.

(b) Notice of Certain Agenda Items:

Approval by the Members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice states the general nature of the proposal or proposals:

- (i) Removing a Director or an officer without cause;
- (ii) Amending the Articles of Incorporation;
- (iii) Approving a contract or transaction between the Corporation and one or more Directors, or between the Corporation and any entity in which a director has a material financial interest; or
- (iv) Electing to wind up and dissolve the Corporation.
- (v) Filling vacancies on the Board of Directors or officers.

(c) Manner of Giving Notice: Notice of any meeting of Members shall be in writing and shall be given at least thirty (30) but no more than ninety (90) days before the meeting date. The notice shall be given either personally, by electronic transmission by the Corporation, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each Member entitled to vote, at the address of that Member as it appears on the books of the Corporation or at the address given by the Member to the Corporation for purposes of notice. If no address appears on the Corporation's books and

no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that Member by first-class or facsimile or other written communication to the Corporation's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

Notice given by electronic transmission by the Corporation shall be valid only if:

(1) Delivered by (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the Corporation; (b) posting on an electronic message board or network that the Corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (c) other means of electronic communication;

(2) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and

(3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notwithstanding the foregoing:

(1) an electronic transmission by this Corporation to a Member is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper in non-electronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the Corporation, and (c) the procedures the recipient must use to withdraw consent.

(2) Notice shall not be given by electronic transmission by the Corporation 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 deliver the notices to the Member becomes known to the Secretary or any other person responsible for the giving of the notice.

(d) **Affidavit of Mailing Notice:** An affidavit of the mailing of any notice of any Members' meeting, or of the giving of such notice by other means, may be executed by the Secretary, or any transfer agent of the Corporation, and if so executed, shall be filed and maintained in the Corporation's minute book.

Section 5. VOTING.

(a) **Membership Meetings:** At all meetings of Members of the Corporation, each Professional Member in good standing shall have one (1) vote and may take part and vote in person, by proxy or by electronic means. 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 classes or by districts is required by these Bylaws or by the California Nonprofit Mutual Benefit Corporation Law or by the Articles of Incorporation.

(b) **Waiver of Notice or Consent:** The transactions of any meeting of Members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if (1) a quorum is present either in person, by electronic means or by proxy, and (2) either before or after the meeting, each Member entitled to vote, not present in person, by electronic means or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in Article IV, Section 4 of these Bylaws, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

A Member's attendance at a meeting shall also constitute a waiver of notice of and presence at that

meeting unless the Member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

(c) **Action by Unanimous Written Consent:** Any action required or permitted to be taken by the Members may be taken without a meeting, if all Members consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the Members.

(d) **Members' Proxy Rights:**

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

(ii) Any revocable proxy covering matters for which a vote of the Members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on.

(iii) No proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of the proxy shall be three (3) years after the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by Corporations Code § 7613. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until either:

(1) It is revoked by the Member executing it before the vote is cast under that proxy, (a) by a writing delivered to the Corporation stating that the proxy is revoked, (b) by a subsequent proxy executed

by that Member and presented to the meeting, or (c) as to any meeting, by the Member's personal attendance and voting at the meeting, or (c) as to any meeting, by the Member's personal attendance and voting at the meeting, or

(2) Written notice of the death or incapacity of the maker of the proxy is received by the Corporation before the vote under the proxy is counted.

Section 6. Quorum of Members.

(a) Percentage Required:

(i) Except as provided in (a)(ii) below, Five percent (5%) of the voting power shall constitute a quorum for the transaction of business at any meeting of Members, provided, however, that if any regular or annual meeting of Members is actually attended in person, by proxy or by electronic means as set forth above in Article IV, Section 3, by less than one third (1/3) of the voting power, the only matters that may be voted on are those of which notice of their general nature was given under Article IV, Section 4(a) and (b) of these Bylaws.

(ii) **Quorum for Removal of Directors by District:** The quorum required for the removal of a Director by a particular District, pursuant to Article VI, Section 4(a)(iii), shall be 5% of the voting power of that particular District.

(b) **Loss of Quorum:** The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough Members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

Section 7. Adjournment, and Notice of Adjourned Meeting. Any meeting of Members, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the Members represented at the meeting. No meeting may be adjourned for more than forty-five (45) days. When a meeting of Members is adjourned to another time or place, notice need not be given of the

adjourned meeting if the time and place to which the meeting is adjourned (or the means of electronic transmission by and to the Corporation or electronic video screen communication, if any, by which Members may participate), are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Members may transact any business that might have been transacted at the original meeting.

Section 8. Cancellation of Meetings. The Board of Directors may cancel any annual or special meeting of Members for good cause by giving personal or electronic notice as set forth in Article IV, Section 4(c), except as may be otherwise provided by these Bylaws. Cancellation of any meeting of Members shall require a four-fifths (4/5) vote of the Board of Directors.

Section 9. Conduct of Meetings; Rules of Order. The meetings and proceedings of the Members of the Corporation shall be regulated and controlled according to most recent edition of Robert's Rules of Order, except as may be otherwise provided by these Bylaws.

ARTICLE V ELECTION OF DIRECTORS AND OFFICERS

Section 1. Nomination by Committee. The President shall appoint a nominating committee ("Nominating Committee") of at least three (3) Professional Members in good standing to select qualified candidates for election to office and to the Board of Directors, and to obtain acceptances to their nominations, at least ninety (90) days before the date of any election of Directors or officers. The Nominating Committee shall make its report at least sixty (60) days before the date of the election, and the Executive Director or Administrative Director, or if there is neither, the Secretary shall send by first-class mail or electronic means as set forth in Article IV, Section 4(c), to each Member a list of all candidates nominated under this Section immediately thereafter.

Section 2. Nominations By Members. Any

Professional Member in good standing may place names of prospective Directors and officers in nomination by submitting in writing to the Executive Director or Administrative Director, or if there is neither, to the Secretary of the Corporation the names of the Members so nominated at least ninety (90) days before the date of the election. The Executive Director or Administrative Director, or if there is neither, the Secretary shall immediately notify each nominee in writing of their nomination and elicit an acceptance or rejection of said nomination. The nominee must indicate in writing the acceptance of the nomination to the Executive Director or Administrative Director, or if there is neither, to the Secretary at least sixty (60) days before the election. Failure to respond to a notice of nomination will indicate a rejection of the nomination.

Section 3. Election Procedure. The Professional Members in good standing shall elect the Board of Directors and officers of the Corporation by written ballot.

(a) **Ballots:** The Executive Director or Administrative Director, or if there is neither, the President of the Corporation (or in the absence of the President, any officer or Director) shall distribute by first-class mail or electronic means as set forth in Article IV, Section 4(c), one written ballot to each Member who is a Professional Member in good standing on the date that the ballots are mailed or sent by electronic means as set forth in Article IV, Section 4(c). Each ballot shall:

(i) List each office or directorship that is to be filled by the election;

(ii) List all of the names of the candidates nominated for each office or directorship under Article V, Section 1 and Article V, Section 2 of these Bylaws;

(iii) Provide space for write-in candidates for each office or directorship that is to be filled by the election;

(iv) Indicate the number of responses needed to meet the quorum requirement; and

(v) Specify the time by which the ballot

must be received by the Corporation in order to be counted (i.e., Election Date).

(vi) Include the language: "Where a Member specifies a choice with respect to any such matter on the ballot, the vote shall be cast in accordance therewith."

Such ballots shall be mailed or sent by electronic means as set forth in Article IV, Section 4(c), at least thirty (30) days before the election date. A written ballot that a member marks "withhold," or otherwise marked in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a Director or officer. Any electronic transmission must meet the requirements of Article VI, Section 4(c).

(b) **Quorum:** A quorum for the election of Directors and officers is equal to five percent (5%) of the Professional Members in good standing at the time the ballots were mailed.

(c) **Number of Votes Required:** If there are two (2) candidates for one office or Directorship, the person receiving a majority of votes cast shall be elected. In the event there are three (3) or more candidates for one office or Directorship, and if a majority vote is not received by any one candidate for such office or Directorship, there shall be a run-off election between the two (2) candidates receiving the most votes. The run-off ballot shall be mailed or sent by electronic means pursuant to Article IV, Section 4(c), within five (5) days following the Election Date to the same list of Members as was the original ballot. The Corporation must receive the run-off ballot within fifteen (15) days from the date of the Corporation's mailing or transmission by electronic means pursuant to Article IV, Section 4(c), of the run-off ballot for the run-off ballot to be counted. The person receiving a majority of votes cast in the run-off election shall be elected.

(d) **Revocation:** A written ballot may not be revoked after it has been submitted to the Corporation.

(e) **Filing:** All written ballots shall be filed with the Executive Director or Administrative Director, or if there is neither, the Secretary of the

Corporation and maintained in the records of the Corporation for at least three (3) years.

Section 4. Use of Corporate Funds to Support Nominee. Funds of the Corporation may not be used or expended to support any nominee for any office or Directorship.

ARTICLE VI BOARD OF DIRECTORS

Section 1. Powers. The policy-making body of the Corporation shall be known as the Board of Directors (sometimes referred to as the "Board"), which shall have authority and responsibility to manage, supervise, control, and direct the affairs of the Corporation.

(a) **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 in the Articles of Incorporation and Bylaws regarding actions that require the approval of the Members, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the direction of the Board of Directors.

(b) **Specific Powers:** Without prejudice to the general powers set forth in Article VI, Section 1, of these Bylaws, but subject to the same limitations, the Directors shall have the power to:

(i) Appoint and remove at the pleasure of the Board of Directors all the Corporation's agents and employees; prescribe powers and duties for them that are consistent with the 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.

(ii) 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; conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of Members.

(iii) Adopt and use a corporate seal and alter the forms of the seal.

(iv) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, and in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, and other evidences of debt and securities.

Section 2. Number and Qualification of Directors. The authorized number of Directors shall be five (5). Any Professional Member in good standing who is a resident of the State of California shall be eligible for nomination and election to the Board of Directors of the Corporation. Each Director shall be selected from and shall represent those Professional Members whose principal address is within their own district. That is, one Director shall be elected by the Members located in and to represent each separate district. The districts ("Districts") shall consist of and be defined as follows:

District 1: Alameda, Contra Costa, Marin, Mendocino, Monterey, Napa, San Benito, Santa Clara, Santa Cruz, San Francisco, San Mateo, Solano, and Sonoma counties;

District 2: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Inyo, Kern, Kings, Lake, Lassen, Madera, Mariposa, Merced, Modoc, Mono, Nevada, Placer, Plumas, Sacramento, San Luis Obispo, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, and Yuba counties;

District 3: Los Angeles, Santa Barbara and Ventura counties;

District 4: Orange County. Plus, all Professional Members residing in counties or states other than California or the USA;

District 5: Imperial, Riverside, San Bernardino, and San Diego counties.

Section 3. Election, Designation, and Term of Office. All Directors shall be elected bi-annually pursuant to Article V to hold office for a term of two (2) years. Odd numbered Districts shall be elected in odd numbered years and even numbered Districts shall be elected in even numbered years. Each such Director, including a Director elected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. Vacancies on the Board of Directors.

(a) **Events Causing Vacancy:** A vacancy or vacancies on the Board shall exist on the occurrence of any of the following:

(i) The death or resignation of any Director;

(ii) 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 or convicted of a felony, or, if the Corporation holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under Section 7238 of the California Corporations Code;

(iii) The vote of the Members of a particular District or, if the Corporation has fewer than 50 Members in a particular District, the vote of a majority of all Members of that particular District, to remove the Director of that District;

(iv) An increase of the authorized number of Directors; or

(v) The failure of the Members to elect the number of Directors required to be elected.

(b) **Resignations:** Except as provided below, any Director may resign by giving written notice to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

(c) **Filling Vacancies:** In the event that a vacancy is created by the removal of a Director by the Members under Article VI, Section 4(a)(iii) above, only the Members of that particular District shall have a right to fill that vacancy and that vacancy shall be filled by election as defined in Article V of these Bylaws. Otherwise, vacancies on the Board may be filled by a majority vote of the Directors then in office or by a sole remaining Director but only filled by a Member of the vacant District. If the term for the vacant Directorship expires in more than one hundred twenty (120) days, then the vacancy shall be filled by election; however, the requirement of an election does not preclude the Board from temporarily filling the vacancy during the election process. In the event that an election is required, the election process shall begin within ten (10) days of the occurrence of the vacancy or vacancies.

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

Section 5. Directors' Meetings.

(a) **Place of Meetings:** Meetings of the Board shall be held at any place within or outside the State of 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.

(b) **Meetings by Telephone or Other Telecommunications Equipment:** Any Board meeting may be held by conference telephone, video screen communication or other communication equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply:

(1) Each Member participating in the meeting can communicate concurrently with all other Members.

(2) Each Member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the

Corporation.

(c) **Annual Meeting:** Immediately before or after each Annual Meeting of Members, the Board shall hold a regular meeting for purposes of organization and the transaction of other business. Notice of this meeting is not required.

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

(e) **Special Meetings:**

(i) **Authority To Call:** Special meetings of the Board for any purpose may be called at any time by the President or any three (3) Directors (or by any one Director if there should be, for any reason, less than four Directors in office).

(ii) **Notice:**

(1) **Manner of Giving Notice of Special Meetings:** Notice of the time and place of special meetings shall be given to each Director by: (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, 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; (d) facsimile; (e) electronic mail; or (e) other electronic means. All such notices shall be given or sent to the Director's address, electronic address or telephone number as shown on the records of the Corporation.

Notices sent by first-class mail shall be deposited in the United States mail at least five (5) days before the time set for a the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or sent, respectively, at least 72 hours before the time set for the meeting.

The notice shall state the time of the meeting and the place, if the place is other than the Corporation's principal office. The notice need not specify the purpose of the meeting.

(iii) **Quorum:** A majority of the

authorized number of Directors shall constitute a quorum for the transaction of any and all business properly conducted or authorized by the Board of Directors. If a quorum of Directors is not present at any meeting of Directors, the Directors present shall have no authority to conduct any business except to adjourn and reschedule the meeting. 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 relating to (A) approval of contracts or transactions between the Corporation and one or more Directors or between the Corporation and any entity in which a Director has a material financial interest, (B) creation of and appointments to committees of the Board, and (C) 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.

(iv) **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 meetings. 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.

(v) **Adjournment:** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 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.

Section 6. Action Without a Meeting. An

action required or permitted to be taken by the Board may be taken without a meeting if all Directors individually or collectively consent in writing to that action and if, subject to Corporations Code §7224(a), the number of Directors then in office constitutes a quorum. The written consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as a unanimous vote of the Directors. For purposes of Corporations Code §7211(b) only, “all Directors” does not include an “interested Director” as defined in Corporations Code §7233(a) or a “common Director” as described in Corporations Code §7233(b) who abstains in writing from providing consent, when the provisions of Corporations Code §7233(a) or (b) are satisfied, as appropriate, at or before the execution of the written consent or consents; (ii) the establishment of those facts or satisfaction of those provisions is included in the written consent or consents executed by the non-interested or non-common Directors or in other records of the Corporation; and (iii) the non-interested or non-common Directors approve the action by a vote that is sufficient without counting the votes of the interested Directors or common Directors.

Section 7. Compensation and Reimbursement.

Directors of the Corporation shall not receive any compensation for their service. Directors may be reimbursed for just and reasonable expenses when on official business for the Corporation. Terms and conditions of such reimbursements are to be specified by the Board of Directors.

Section 8. Director Voting. Each Director shall have one vote on each matter presented to the Board of Directors for action. No Director may vote by proxy.

**ARTICLE VII
OFFICERS AND THEIR DUTIES**

Section 1. Officers of the Association. The elected officers of the Corporation shall be a President, a President-Elect, a Vice President, a Secretary and a Treasurer. The Board of Directors, in its discretion, may elect or appoint additional subordinate officers, such as one or more Assistant Vice Presidents, and Assistant Secretary or

Treasurers. The Immediate Past President shall serve as an ex-officio officer of the Corporation. Each officer shall represent the Corporation in a responsible and appropriate manner while attending functions in an official capacity. Any number of offices may be held by the same person, except no Member shall concurrently hold more than one of the following officer positions: (1) President; (2) President-Elect; and (3) Vice President.

Section 2. Qualifications for Office. Any Professional Member in good standing who is a resident of the State of California shall be eligible for nomination and election to any elective office of the Association. The Board of Directors shall establish reasonable qualifications for the positions of subordinate officers.

Section 3. Election, Designation, and Term of Office. All officers shall be elected annually pursuant to Article V to hold office for a term of one (1) year. Each such officer, including an officer elected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. Vacancy of an Office.

(a) **Events Causing a Vacancy:** A vacancy of an office shall exist on the occurrence of any of the following:

- (i) The death or resignation of an officer;
- (ii) The declaration by resolution of the Board of a vacancy in an office where the officer has been declared of unsound mind by an order of court or convicted of a felony, or, if the Corporation holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under Section 7238 of the California Corporations Code;
- (iii) The vote of the Members to remove an officer, or the vote of the Directors to remove any subordinate officer, or the vote of the Directors to remove any officer for cause; or
- (iv) The failure of the Members to elect a candidate to fill an office.

(b) **Resignations:** Any officer may resign, at any time, by giving written notice to the President, Secretary or the Board of Directors. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

(c) **Filling Vacancies:** In the event that a vacancy is created by the removal of an officer by the Members under Article VII, Section 4a(iii), only the Members shall have a right to fill that vacancy and that vacancy shall be filled by election as defined in Article V of these Bylaws. Otherwise, a vacancy in an office may be filled by a majority vote of the Directors then in office or by a sole remaining Director. If the term for the vacant office expires in more than one hundred twenty (120) days, then the vacancy shall be filled by election; however, the requirement of an election does not preclude the Board from temporarily filling the vacancy during the election process. In the event that an election is required, the election process shall begin within ten (10) days of the occurrence of the vacancy or vacancies.

Section 5. President. Subject to the approval of the Board, the President shall be the general manager of the Corporation and shall supervise, and shall direct the Corporation's activities, affairs, and officers. In addition, the President shall:

(a) Preside at all meetings of Members, and at all Board meetings;

(b) Serve as the Chair of the Board of Directors;

(c) Conduct proceedings according to the rules of parliamentary procedure;

(d) Serve as a nonvoting ex-officio member of all committees with the exception of the Nominating Committee;

(e) Appoint the chair of each standing or special committee;

(f) Promote and advance the objectives of the Corporation;

(g) Address the Annual Meeting with recommendations for the future well-being of the Corporation; and

(h) Perform all duties incident to the office of President and such other duties as may be prescribed from time to time by the Board of Directors.

Section 6. President-Elect. The President-Elect shall assist the President as directed. In the absence or disability of the President, the President-Elect shall perform all duties of the President. When so acting, the President-Elect shall have all powers of and be subject to all restrictions on the President. The President-Elect shall have such other powers and perform such other duties as the Board may prescribe.

Section 7. Vice President. The Vice President shall assist the President and the President-Elect as directed. In the absence of the President and President-Elect, the Vice President shall have all the powers of the President. When so acting, the Vice President shall have all the powers of and be subject to the restrictions of the President. The Vice President shall have such other powers and perform such duties as the Board may prescribe.

Section 8. Secretary. Responsibilities of Secretary. The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board of Directors, of committees of the Board of Directors and of Members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at the meetings; and the number of Members present or represented at Members' meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the Articles of Incorporation and Bylaws, as amended to date.

The Secretary shall keep or cause to be kept, at the Corporation's principal office or at a place determined by resolution of the Board of Directors, a

record of the Corporation's Members, showing each Member's name, address, and class of membership.

The Secretary shall give, or cause to be given, notice of all meetings of Members, of the Board of Directors, and of committees of the Board that these bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board of Directors or the bylaws may require.

Section 9. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the Members and Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board of Directors. The books of account shall be open to inspection by any Director at all reasonable times.

The Treasurer shall (1) 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 of Directors may designate; (2) disburse the Corporation's funds as the Board of Directors may order; (3) render to the President, Chair of the Board, if any, and the Board of Directors, when requested, an account of all transactions as Treasurer of the financial condition of the Corporation; and (4) have such powers and perform such other duties as the Board of Directors or the Bylaws may require.

At the end of each fiscal year, the Treasurer shall prepare, or cause to be prepared, an annual report which shall, if required by the Board of Directors, be reported on by a certified public accountant. At expiration of the Treasurer's term of office, or upon his or her removal, he or she shall immediately deliver over to the incoming Treasurer all books, money and other Corporation property in his or her charge.

Section 10. Immediate Past President. Upon expiration of a President's term of office, the President shall become the Immediate Past President and shall perform such duties as the President shall direct.

ARTICLE VIII INDEMNIFICATION

Section 1. Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors and officers, and may indemnify employees and other persons described in California Corporations Code Section 7237(a), 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," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this Bylaw, shall have the same meaning as in that Section of the California Corporations Code.

Section 2. On written request to the Board of Directors by any person seeking indemnification under California Corporations Code Section 7237(b) or Section 7237(c), the Board of Directors shall promptly decide under, Corporations Code Section 7237(e), whether the applicable standard of conduct set forth in Corporations Code Section 7237(b) or Section 7237(c) has been met and, if so, the Board of Directors shall authorize indemnification. If the Board of Directors 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 of Directors shall promptly call a meeting of Members. At that meeting, the Members shall determine under Corporations Code Section 7237(e) whether the applicable standard of conduct has been met and, if so, the Members present at the meeting in person, electronic means, or by proxy shall authorize indemnification.

Section 3. Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by this Article VIII, 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 found that the person is entitled to be indemnified by the Corporation for those expenses.

ARTICLE IX INSURANCE

The Corporation shall have the right 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.

ARTICLE X RECORDS AND REPORTS

Section 1. Maintenance of Corporate Records.

The Corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its Members, Board, and committees of the Board; and
- (c) A record of each Member's name, address, and class of Membership.

Section 2. Members' Inspection Rights.

(a) **Membership Records:** Subject to Division 2, Part 3, Chapter 13, Article 3 (commencing at Section 8330) of the California Corporations Code and unless the Corporation provides a reasonable alternative as provided below, any Member may do either or both of the following for a purpose reasonably related to the Member's interest as a Member:

(i) Inspect and copy the records of Members' names, addresses, and voting rights during usual business hours on five days' prior written demand on the Corporation, which demand must state the purpose for which the inspection rights are requested; or

(ii) Obtain from the Secretary of the Corporation, on written demand and tender of a

reasonable charge, a list of names, addresses, and voting rights of Members who are entitled to vote for the election of Directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the Member. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the Member on or before the later of ten days after (a) the demand is received or (b) the date specified in the demand as the date as of which the list is to be compiled.

The Corporation may, within ten business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the Membership list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

If the Corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a Member, or if it provides a reasonable alternative under this Section, it may deny the Member access to the Membership list.

Any inspection and copying under this Section may be made in person or by the Member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the Corporation.

(b) **Accounting Records and Minutes:** On written demand on the Corporation, any Member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the Member's interest as a Member. Any such inspection and copying may be made in person or by the Member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the Corporation.

Section 3. Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at

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

Section 4. 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.

Section 5. Annual Report.

(a) An annual report shall be prepared within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information in appropriate detail:

(i) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Corporation that they were prepared without audit from the books and records of the Corporation;

(ii) A statement of the place where the names and addresses of current Members are located; and

(iii) Any information that is required or may be required from time to time by these Bylaws.

(b) Each Member in good standing has the right to receive a financial report under this Section. Except as provided in subsection (iii) of this Bylaw, on written request by a Member, the Board shall promptly cause the most recent annual report to be

sent to the requesting Member.

(c) This Section shall not apply if the Corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year.

Section 6. 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 annually prepare and mail or deliver to its Members and furnish to its Directors a statement of any transaction or indemnification of the following kinds within 120 days after the end of the Corporation's fiscal year:

(a) Unless approved by Members under Section 7233(a) of the California Corporations Code, any transaction (1) to which the Corporation, its parent, or its subsidiary was a party, (2) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (3) in which either a Director or an officer had a direct or indirect material financial interest (a mere common directorship is not a material financial interest). 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, when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

(b) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the Corporation, unless the loan, guaranty, indemnification, or advance has already been approved by the Members under Section 5034 of the California Corporations Code, or the loan or guaranty is not subject to the provisions of subdivision (a) of Section 7235(a) of that Code.

ARTICLE XI CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general

provisions, rules of construction, and definitions in the California Nonprofit Corporation Law 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 includes the plural and the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

ARTICLE XII DISTRIBUTION OF ASSETS

The Corporation shall use its funds only to accomplish the purposes specified in these Bylaws, and no part of such funds shall inure or be distributed to the Members. On dissolution of the Corporation, any funds remaining shall be distributed to one or more recognized charitable, educational, scientific, or philanthropic organizations to be selected by the Board of Directors.

ARTICLE XIII AMENDMENTS

Section 1. Amendment by the Board.

(a) Membership Rights Limitation:

Subject to the rights of Members under these Bylaws, the Board may adopt, amend, or repeal Bylaws unless the action would:

(i) Materially and adversely affect the Members' rights as to voting, dissolution, transfer, or representation;

(ii) Increase or decrease the number of Members authorized in total or for any class;

(iii) Effect an exchange, reclassification, or cancellation of all or part of the Memberships; or

(iv) Authorize a new class of voting Membership.

(b) **Changes to Number of Directors:** Once Members have been admitted to the Corporation, the Board may not, without the approval of the Members, specify or change any bylaw provision that would:

(i) Fix or change the authorized number

of Directors;

(ii) Fix or change the minimum or maximum number of Directors; or

(iii) Change from a fixed number of Directors to a variable number of Directors or vice versa.

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

(d) **Members' Approval Required:** Without the approval of the Members, the Board may not adopt, amend, or repeal any bylaw that would:

(i) Increase or extend the terms of Directors;

(ii) Allow any Director to hold office by designation or selection rather than by election by a Member or Members;

(iii) Increase the quorum for Members' meetings;

(iv) Repeal, restrict, create, expand or otherwise change proxy voting; or

(v) Authorize cumulative voting.

Section 2. Amendment by Members. New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of the Members, provided, however, that any such adoption, amendment, or repeal also requires approval by the Members of a class if that action would:

(a) Materially and adversely affect the rights, privileges, preferences, restrictions, or conditions of that class as to voting, dissolution, redemption, or transfer in a manner different than the action affects another class;

(b) Materially and adversely affect that class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class;

(c) Increase or decrease the number of Memberships authorized for that class;

(d) Increase the number of Memberships authorized for another class;

(e) Effect an exchange, reclassification, or cancellation of all or part of the Memberships of that class;

(f) Authorize a new class of voting Memberships; and

(g) Any provision of these Bylaws that requires the vote of a larger proportion of the Members than otherwise is required by law may not be altered, amended, or repealed except by vote of that greater number. No amendment may extend a Director's term beyond that for which the Director was elected.

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[Amended February 18, 2000]

[Amended May 16, 2010]

[Amended June 14, 2016]