

# BYLAWS



## **REDWOOD COAST DEVELOPMENTAL SERVICES CORPORATION**

**ADOPTED: March 8, 2003**

**Includes revisions from:**

**March 8, 2023; January 12, 2022; November 10, 2021; May 16, 2020; May 4, 2019; March 16, 2019; March 17, 2018; May 20, 2017; March 26, 2016; March 13, 2010 (format update); May 19, 2007; July 22, 2005; January 8, 2005**

# **Redwood Coast Developmental Services Corporation Bylaws**

**Adopted: March 8, 2003; Revised March 8, 2023**

## **Article I. Name**

### **Section 1.01 – NAME OF CORPORATION**

The name of this Corporation shall be Redwood Coast Developmental Services Corporation (RCDSC).

## **Article II. Offices**

### **Section 2.01 – OFFICES**

The principal office for the transaction of business of the Corporation shall be located in the County of Mendocino, California. The directors may change the principal office from one location to another. The secretary shall note any change of location, or this section may be amended to state the new location, as applicable.

### **Section 2.02 – OTHER OFFICES**

The Board of Directors may, at any time, establish branch offices, in any location where the Corporation is authorized to do business.

## **Article III. Objectives and Purposes**

The Corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (IRC), as amended. The Corporation shall not conduct any other activities not permitted:

- (A) by a Corporation exempt from federal income tax under IRC Section 501(c)(3), as amended (or the corresponding provision of any future United States Internal Revenue Law); or
- (B) by a Corporation, contributions to which are deductible under IRC Section 170(c)(2) (or the corresponding provision of any future United States Internal Revenue Law).

No substantial part of the activities conducted by the Corporation shall consist of the promoting of propaganda or otherwise attempting to influence legislation, nor shall the Corporation participate in, or intervene in, any political campaign on behalf of any candidate for public office (including the publication or distribution of statements). The property of the Corporation is irrevocably dedicated to charitable and public benefit

purposes, and no part of the net income or assets of the Corporation shall ever inure to the benefit of any director, officer, or member of the Corporation, or to the benefit of any private individual, except that to the extent permitted by these Bylaws, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered. Upon the dissolution of the Corporation, and after paying or adequately providing for the debts and obligations of the Corporation, any remaining assets shall be distributed to non-profit funds, foundations, Corporations, or other organizations that, at that time, qualify as exempt organizations under IRC Section 501(c)(3), as amended (or the corresponding provision of any future United States Internal Revenue Law).

## **Article IV. Dedication of Assets**

### Section 4.01 – DEDICATION OF ASSETS

This Corporation and its assets are irrevocably dedicated to the public benefit and promotion of developmental services for persons and groups residing in Humboldt, Mendocino, Lake, and Del Norte Counties.

## **Article V. Members and Directors**

### Section 5.01 – QUALIFICATIONS OF MEMBERS

There shall be only one class of members of the Corporation. The directors shall be the only members of the Corporation. Any person appointed as a director shall automatically become a member of the Corporation, upon assumption of his/her office as a director. A director shall automatically cease to be a member of the Corporation upon the expiration of his/her term of office.

### Section 5.02 – DUTIES OF DIRECTORS

A director shall participate in the decisions of the Board, consider and understand all information relevant to such decisions, and exercise sound and independent judgment. A director may also perform duties as a member of any committee of the Board, and may serve, in good faith, in a manner such director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position may use under similar circumstances.

### Section 5.03– NUMBER, COMPOSITION, AND QUALIFICATIONS OF DIRECTORS

The number, composition and qualifications of the Board of Directors shall be as follows:

- (A) The governing Board shall be comprised of between 12 and 17 directors who have demonstrated interest in, or knowledge of, developmental disabilities. Composition of the Board shall be in accordance with the requirements of the California Welfare and Institutions Code, Section 4622, as amended.
- (B) The membership of the Board shall include persons with legal, management or board governance, financial, and developmental disability program skills.

- (C) The Board of Directors may choose to leave one or more vacant seats temporarily unfilled if it is unable to find or elect a qualified candidate, or to search for a candidate with specific qualifications to balance representation on the Board or to provide expertise needed on the Board.
- (D) The membership of the Board shall include representatives of the various categories of disability to be served by Redwood Coast Regional Center (RCRC). Twenty-five percent of the board positions are reserved for client directors.
- (E) The membership of the Board shall reflect the geographic and ethnic characteristics of the area served by the RCRC. The make-up of the Board shall include:
  - 1) A minimum of one (1) member residing in each of the four counties in the Redwood Coast region.
  - 2) One (1) person designated by the Alliance of Service Providers residing within the four County areas and not included in the above-stated county allotments.
  - 3) A minimum of one (1) Client Director position representing Humboldt and Del Norte counties. A client from either county may fill this position.
  - 4) A minimum of one (1) Client Director position representing Mendocino and Lake Counties. A client from either county may fill this position.
- (F) Members of the Board shall not be permitted to serve more than seven (7) years within each eight (8) year period.
- (G) The RCRC shall provide necessary training and support to all Board members and their facilitators, as applicable, to assist in their understanding of, and participation in, all Board functions.
- (H) The Board shall appoint a Client Advisory Committee (CAC), comprised of persons with developmental disabilities, and which represents the various categories of disabilities served by the RCRC.
- (I) The Board shall appoint an advisory committee comprised of persons representing the various categories of providers from which the RCRC purchases client services. The advisory committee shall provide advice, guidance, recommendations, and technical assistance to the RCRC in performing its mandated functions. The advisory committee shall designate one of its members to serve as a member of the Board. The Alliance of Service Providers is designated as the Vendor Advisory Committee for the RCRC.
- (J) No person who is an employee or member of the governing board of a provider from which the RCRC purchases client services shall: (1) Serve as an officer of the Board; (2) Vote on any fiscal matter affecting the purchase of services from any RCRC provider; (3) Vote on any issue other

than as described in (2), in which the member has a financial interest, as defined in the California Government Code, Section 87103, and/or as determined by the Board.

Nothing in this section shall prevent the appointment to the Board of a person who meets more than one of the categories listed above.

#### Section 5.04 – CONFLICT OF INTEREST

No person shall serve as a director if a conflict of interest exists, as defined by the California Welfare and Institutions Code, Section 4626, and the California Code of Regulations, Title 17, Subchapter 17, Article 1, Section 54521, *et seq.* No employee of the RCRC may serve as a member of the Board, but may serve on the Board in an advisory capacity, without voting rights.

#### Section 5.05 – SELECTION OF DIRECTORS

Each director shall be appointed to the Board through an ongoing recruitment process.

#### Section 5.06 – POWERS

The Board shall exercise the powers of the Corporation, control its property, and conduct its affairs, except as otherwise provided by law.

#### Section 5.07 – AGENTS AND EMPLOYEES OF THE BOARD

It shall be the duty of the Board to:

- (A) 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 agents and employees of the Board. Specifically, an Executive Director who shall serve at the pleasure of the Board as the Chief Executive of the Corporation and shall, subject to the control of the Board, supervise and control the employees and affairs of the RCRC.
- (B) Implement an annual evaluation of the Executive Director's performance versus the goals set in the yearly Department of Developmental Services (DDS) contract.

#### Section 5.08 – MEETINGS

Meetings of the Board shall occur as follows:

- (A) Meetings shall be held at any location within the four-county area served by RCRC that may include face-to-face or teleconference/videoconference, subject to advance posting and publicity as the Board may direct.
- (B) Regular meetings shall be held a minimum of six (6) times per Fiscal Year. One such meeting shall be held prior to the end of the Fiscal Year (May or June) and shall be deemed the Annual Meeting of the Board of Directors.

- (C) The Election of Officers for the forthcoming Fiscal Year shall be accomplished by confidential vote at the Annual Meeting and the newly elected officers shall be deemed to be seated on the first day of the Fiscal Year.
- (D) Special Meetings: The President of the Board of Directors, or any five (5) directors, may call Special Meetings. Such meetings shall be held at the time and place designated by the requestor.
- (E) Conduct of Meetings: All meetings of the Board shall be governed by the current *Robert's Rules of Order*, insofar as such rules are not inconsistent, or in conflict with, these Bylaws, the Articles of Incorporation, or the law. Remote Electronic Communication by Board Members: Board members may attend Board and committee meetings by way of remote electronic video screen communication. Participation in Board or committee meetings using remote electronic video screen communication constitutes presence at that meeting if all Board members and/or committee members participating in the meeting can hear one another. Directors participating by video screen communication must be given the opportunity to vote on matters submitted to the Board or committees.
- (F) Notice of Meetings: The Secretary of the Corporation shall provide each director with advance notice of the time and place of each meeting, as well as with copies of the agenda and materials packet. Delivery of these materials may be made in person or by mail, but must be postmarked at least 7 (seven) days prior to the meeting.
- (G) Public Meetings: All meetings of the Board shall be public meetings, conducted in compliance with State Legislation governing meetings of public agencies. Per the Ralph M. Brown Act (Government Code section 54950-54963 referred to as the "Brown Act"), Section 54953 allows for meetings by "teleconference", which includes videoconferences. The requirements include:
- In the notice of meeting and agenda, each teleconference location must be identified.
  - Each teleconference location must be accessible to the public.
  - During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.
  - The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant at each teleconference location.
  - All votes taken must be by rollcall.

The Board may hold a closed meeting to discuss or consider one or more of the following:

- 1) Real estate negotiations.
  - 2) Appointment, employment, evaluation of performance, or dismissal of a RCRC employee.
  - 3) Employee salaries and benefits.
  - 4) Labor contract negotiations.
  - 5) Pending litigation.
  - 6) Any matter specifically dealing with a particular RCRC client must be conducted in a closed session, except where it is requested that the issue be discussed publicly by the client, the client's conservator, or the client's parent/guardian where the client is a minor.
- (H) Quorum: A quorum of directors shall consist of a majority of the currently appointed directors. Each director present has one (1) vote. Voting by proxy is prohibited. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.
- (I) Majority Action as Board Action: Every act or decision done or made by a majority if the directors present at a meeting duly held at which a quorum is present, is the act of the Board, unless the law, Articles of Incorporation, or these Bylaws require a greater number.

#### Section 5.09 – REMOVAL OF DIRECTOR FOR CAUSE

The Board may, by a majority vote of the directors present during a closed meeting where a quorum is present, remove a director for: conduct in violation of the Board Confidentiality, Business Conduct and Ethics Policy #19; has been declared of unsound mind by a final order of court; been convicted of a felony; been found, by a final order or judgment of any court, to have breached any duty under Sections 5230-5239 of the California Nonprofit Public Benefit Corporation Law.

#### Section 5.10 – RESIGNATION OF DIRECTOR

Any director may resign by giving written notice to the President or the Secretary of the Board of Directors. Unless the notice specifies a later date, resignation will be considered effective when tendered. Except upon notice to the Attorney General of the State of California, no director may resign where the Corporation would be left without a duly appointed director or directors in charge of its affairs.

#### Section 5.12 – COMPENSATION

Directors shall serve without compensation, except that directors shall receive reimbursement for travel, child care or alternative child care expenses, and per diem expenses for their attendance at Board, Committee, or other Board business meetings in accordance with RCDSC Policy #4.

## **Article VI. Officers**

### **Section 6.01 – NUMBERS AND TITLES**

The officers of the Corporation shall be called President, Vice President, Secretary, Treasurer, and Client Liaison.

### **Section 6.02 – QUALIFICATIONS, ELECTION, TERM OF OFFICE, AND VACANCIES**

Officers of the Corporation shall be elected by a majority vote of the Board at its Annual Meeting, as directed in Section 5.08(C) of these Bylaws. If more than two people run for an office, the person receiving the lowest number of votes shall be eliminated from subsequent votes, until one candidate receives a majority vote. In the event of a tie, a re-vote shall be taken until one candidate receives a majority vote. The term of office for each elected officer shall begin immediately upon his/her election. All officers shall be elected from among the directors. Each officer shall serve for a one-year term or until:

- (A) His or her successor has been elected.
- (B) His or her resignation.
- (C) His or her removal at the pleasure of the Board by a 2/3 majority vote of the directors present at a duly noticed meeting.
- (D) Or, expiration of his or her term as a director, whichever comes first.
- (E) No person shall serve more than two (2) full consecutive terms in the same office. Vacancies among the officers shall be filled by the Board.

### **Section 6.03 – DUTIES OF THE PRESIDENT**

The President shall: Preside at all meetings of the Board and all meetings of the Executive Committee; execute all agreements with governmental agencies for funding of the Corporation and all leases of real property; with the approval of the Board, appoint the chairpersons of all committees except for the Vendor Advisory Committee, the Budget Committee, and the Client Advisory Committee; and be a member of all committees *ex-officio*, voting only in the event of a tie, to create a tie, or by a ballot vote of all committees. The President may designate the Vice-President to represent his/her on any committee, with the same voting rights as the President. The President shall ensure copies of all received and responded to correspondence is distributed to all Board members (confidential correspondence regarding persons served by the RCRC shall have his/her name(s) deleted). The President shall perform such other duties as may be required at the direction of the Board.

### **Section 6.04 – DUTIES OF THE VICE PRESIDENT**

The Vice President shall perform all the duties and exercise all the power of the President when the President is absent or is otherwise unable to act. The Vice



President shall perform the duties of Parliamentarian at all meetings. An alternate shall be chosen by the Board when the Vice President is unable to perform those duties. The Vice President shall perform such other duties as may be required from time to time at the direction of the Board.

#### Section 6.05 – DUTIES OF THE SECRETARY

The Secretary shall cause Minutes of all meetings of the Board to be kept; shall be the custodian of the Corporate records (which shall be maintained at the principal office of the Corporation); shall cause all notices required by law or these Bylaws to be given; and, generally, shall perform all duties incidental to the office of the Secretary, and other such duties as may be required of him/her by law, by the Articles of Incorporation, by these Bylaws, or by the Board. All or part of the above duties may be delegated to the Executive Director of the RCRC or to such other staff member as may be designated by the Executive Director.

#### Section 6.06– DUTIES OF THE TREASURER

The Treasurer, with the assistance of the Executive Director or designated staff member, shall make provisions for the care and custody of all funds of the Corporation; shall make provisions for the deposit of such funds as required and designated by the Board; shall make provisions for the maintenance of adequate accounts of the properties and business transactions of the Corporation; shall render reports and financial statements to the directors as required by the Board; and shall, in general, perform all duties incidental to the office of Treasurer and other such duties as may be required of him/her by law, by the Articles of Incorporation, by these Bylaws, or by the Board. All or part of the above duties may be delegated to the Executive Director or to such other staff member as may be designated by the Executive Director. The Treasurer shall chair the Budget/Audit Committee.

#### Section 6.07– DUTIES OF THE CLIENT LIAISON

The Client Liaison shall have the following duties:

- (A) The Client Liaison shall be the primary means of communication between clients, client organizations and the Executive Committee and the Board.
- (B) The Client Liaison shall have authority and responsibility equal to other Executive Committee members.
- (C) The Client Liaison shall assist the Personnel Committee in the evaluation of the Facilitators.
- (D) The goal of the Client Liaison position is to ensure that clients have representation on the Executive Committee, as well as representation on the Board.
- (E) The Client Liaison shall be the chair of the Client Advisory Committee.

## **Article VII. Executive Director**

### **Section 7.01 – EXECUTIVE DIRECTOR**

- (A) The Executive Director shall be the Chief Executive Officer and Chief Operating Officer of the Corporation, and, as such, shall have the authority and responsibility of the day-to-day management and administration of the affairs, employees, and resources of the Corporation, and for the implementation of the policies and programs of the Corporations as set forth in these Bylaws, and his/her employment agreement.
- (B) The Executive Director shall, subject to the policies of the Corporation, employ, supervise, manage, control, and discharge the employees of the RCRC.
- (C) The Executive Director shall advise and counsel the Board in matters of policy and shall act as a representative of the Corporation at community, State, and National meetings. The Executive Director shall give full cooperation to the Board, Executive Committee, and committee chairs seeking information regarding the responsibilities and workings of the Corporation.
- (D) The Executive Director shall monitor, review, and report to the Board all legal matters of the RCRC, including, but not limited to, any lawsuits filed on behalf of the RCRC, or filed against the RCRC or any of its employees where the employee acted in a capacity representing the RCRC. The Executive Director, using his/her best judgment, shall take necessary actions to insulate the RCRC, RCRC staff, and the Corporation from liability.
- (E) The Executive Director shall serve at the pleasure of the Board and may be removed, with or without cause, by a majority vote of the filled directorships, at any time, in accordance with the terms of the Employment Agreement. The Executive Director's performance shall be reviewed annually by the Board.

## **Article VIII. Committees**

### **Section 8.01 – APPOINTMENT OF THE CHAIRPERSON**

The chairperson of each committee, with the exception of the Executive, Budget, and Client Advisory committees, shall be appointed by the President, with the approval of a majority of the Board, provided a quorum is present. The chairperson of each Standing Committee (as discussed in Section 8.04) shall be selected from the members of the Board. All committee chairs are required to take the Directors' Oath of Office regardless of whether or not they are directors of the Board.

## Section 8.02 - COMMITTEE MEMBERSHIP

The chairperson of each committee, except for the Executive Committee, after consulting with the President, shall select the members for each committee. Members of committees need not be directors. Committee selections, except for the Executive Committee, must be ratified by a majority vote of the Board before the committee may meet.

## Section 8.03 – COMMITTEE MEETING PROCEDURES

- (A) Each committee shall cause meetings of its proceedings to be kept and shall provide a copy of said minutes to the Secretary within 14 days of its meeting. The minutes shall be included in the next Board packet.
- (B) Meetings of committees shall be held at the request of the Chairperson or any two (2) members of the committee. Notice of the meeting shall be given to each committee member either orally or in writing, by means of telephone, telegraph, personal visit, facsimile, email or mail, not less than 24 hours before the meeting is scheduled to take place, unless notice is waived by the member in writing.
- (C) Members of a committee may participate in a meeting of the committee using conference telephones or similar communications equipment, as long as all members participating in the meeting can communicate with each other. This shall constitute “in person” presence at such a meeting.
- (D) A quorum for committee meetings shall consist of a majority of the voting committee members.

## Section 8.04 – STANDING COMMITTEES

Standing Committees may be established at the Board’s discretion. They shall include, at a minimum, the following:

- (A) Executive Committee
  - 1) The Executive Committee shall be comprised of the President, the Vice President, the Secretary, the Treasurer, the Client Liaison, and the most immediate Past President who is still a member of the Board. The President shall be the chairperson of the Executive Committee. The primary purpose of the Executive Committee shall be to respond to matters of an urgent nature which call for immediate action or comment before the next scheduled meeting of the Board. In such matters, the Executive Committee shall exercise the full powers of the Board between regular meetings, except for:
    - a) The power to adopt, amend, or repeal the Articles of Incorporation or these Bylaws.

- b) The power to act contrary to established policies or prior actions of the Board.
  - c) The power to fill vacancies on the Board or on the Executive Committee.
  - d) The power to appoint committees of the Board or the members thereof.
  - e) The power to approve any self-dealing transaction, except as provided in the California Corporations Code, Section 5233 (d)(3).
- 2) The Executive Committee shall have the following additional responsibilities:
- a) Annually review the Bylaws, or delegate this task to an *ad hoc* committee.
  - b) Annually review all existing Board policies.
  - c) Coordinate the annual performance evaluation of the Executive Director and submit the results to the Board for Board action.
  - d) Perform an annual review of the Executive Director's salary and benefits, as well as a review of the salaries and benefits of any other Board employees. The results will be submitted to the Board for their action.
  - e) Make temporary appointment of any committee members, subject to Board ratification at the next meeting.
  - f) Create a draft contract and memorandum of understanding with the appropriate agency or business to secure the Clients' Rights Advocate(s)(CRA) for RCRC clients. Each CRA will be a qualified attorney, who is a current member in good standing of the California Bar Association. The Executive Committee shall coordinate an annual review of CRA performance.
  - g) The Executive Committee shall monitor and annually review the RCRC's policies and procedures, and report the findings to the Board. An annual fiscal audit shall be the responsibility of the Executive Committee.
  - h) All actions taken by the Executive Committee shall be reflected in their meeting minutes, and shall be reported at the next Board meeting.

(B) Board Development Committee

The Board Development Committee shall consist of at least one (1) member from each of the four counties served by the Redwood Coast Regional Center. The Board Development Committee shall seek applicants for the Board of Directors of the RCDSC. The purpose of the committee is to recruit and oversee the selection of RCDSC Board members to provide a full and representative membership.

(C) Budget Committee

The Budget Committee shall monitor and review the financial affairs of the Corporation. The chairperson of this committee shall be the Treasurer of the Board. The Budget Committee shall provide financial training for the Board. The Budget Committee shall annually review the financial records of the Client Benefit Fund and report its findings to the Board.

(D) Personnel Committee

The Personnel Committee is responsible for the development of hiring procedures for the Executive Director and Client Board Member facilitators. The committee shall annually review the Personnel Manual and report its findings and recommendations to the Board.

(E) Client Advisory Committee

The Client Advisory Committee is responsible for liaisons between the Board and clients served by the RCRC. The RCRC Client Advocate and the RCRC CRA shall be *ex-officio* members of this committee.

Section 8.05 – VENDOR ADVISORY COMMITTEE

The Vendor Advisory Committee shall be comprised of members of the Alliance of Service Providers in the four county RCRC service areas. The Alliance of Service Providers is representative of the various categories of providers from which the RCRC purchases client services. The designated representative of the Alliance shall provide advice, guidance, recommendations and technical assistance to the Board in order to assist the RCRC in carrying out its mandated functions.

Section 8.06 – OTHER COMMITTEES

Other committees may be established and appointed with such responsibilities and authority, and for such a term, as the Board may specify.

Section 8.07 – LIMITATION OF AUTHORITY

Except as expressly delegated to any particular committee by these Bylaws or by resolution of the Board, no committee shall have the authority to take any action, make any expenditure or incur any liability in the name of or on behalf of the Corporation. The power of any committee shall be limited to advising the Board, except for specific grants of authority made in these Bylaws.

## **Article IX. Miscellaneous Provisions**

### **Section 9.01 – FISCAL YEAR**

The fiscal year of the Corporation shall commence on July 1 and end on the following June 30.

### **Section 9.02 – INTERPRETATION OF BYLAWS**

Unless defined differently herein, or unless the context requires a different meaning, terms used in these Bylaws shall have the same meaning as provided in the California Corporations Code, Part 2, California Nonprofit Public Benefit Corporation Law, as amended. To the extent possible, these Bylaws shall be construed as supplemental to California State or Federal law governing the same subject matter and shall be fully complied with unless compliance will violate said laws. Any provision of these Bylaws which is inconsistent with governing California or Federal law shall not be complied with, but such inconsistency shall not affect the validity of any other provision of these Bylaws.

### **Section 9.03 – INSTRUMENTS IN WRITING**

All checks, drafts, demands for payment and/or notes of the Corporation, as well as all written contracts of the Corporation, shall be signed by such officers or agents as the Board may designate. No officer, agent, or employee of the Corporation shall have the power to bind the Corporation by contract or otherwise, unless authorized to do so by these Bylaws or by the Board.

### **Section 9.03 – NOTICES**

Unless otherwise expressly provided herein, any notice required or permitted to be given under these Bylaws shall be deemed effectively given when: deposited in the United States mail, addressed to the recipient at his/her last known address and with first-class postage thereon; personally delivered in writing to the recipient; delivered in writing to a common carrier for transmission or actually transmitted by the person giving notice by electronic means, to the recipient; or communicated orally, in person or by telephone to the recipient or to a person at the recipient's office or residence who the person giving notice has reason to believe will promptly communicate it to the recipient.

### **Section 9.06 – DIRECTORS' RIGHT TO INSPECT RECORDS AND ASSETS**

Every Director shall have the absolute right, at any reasonable time, to inspect the Corporation's books, records, physical properties, and the records of each of its subsidiaries, except for any records required by law to be kept confidential. 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 9.07 – INDEMNIFICATION AND INSURANCE OF CORPORATE AGENTS**

- (A) Indemnification and Advancement of Expenses

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, officers, employees, and other persons described in California Corporations Code, Section 5238(a), including persons formally occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonable incurred by them in connection with any "proceeding," as that term is used in Section 5238(a), 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 is described in Section 5238(a).

On written request to the Board, by any person seeking indemnification under California Corporations Code, Section 5238(b) or Section 5238(c), the Board shall diligently decide, under Section 5238(e), whether the application standard conduct set forth in Section 5238(b) or Section 5238(c) has been met, and, if so, the Board shall authorize indemnification.

To the fullest extent permitted by law and, except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by the Bylaws shall be advance by the Corporation before final disposition of the proceeding, upon receipt by the Corporation of an undertaking by or on the 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.

(B) Insurance of Agents by Corporation

The Corporation may obtain and maintain liability insurance in the name of the Corporation, in the form of a general liability policy or directors' and officers' liability, so as to limit the personal liability of directors and officers, as provided in California Corporations Code, Section 5239. The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against, or incurred by, the agent in such capacity, or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Section. The Corporation, however, shall have no power to purchase and maintain such insurance to indemnify of any agent of the Corporation for a violation of Section 5233 of the Code.

(C) Fidelity Bonds

The Board shall require that all officers and employees of the Corporation having custody or control of corporate funds furnish an adequate fidelity bond. The Corporation shall pay the premium on such bonds.

(D) Scope of this Section

No provision made by the Corporation to indemnify its directors or officers, or those of any subsidiary, for the defense of any claim or proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of the Board, an agreement, or otherwise, shall be valid unless consistent with this Section. Nothing contained in this Section shall affect any right to indemnification to which persons other than such directors and officers may be entitled or otherwise.

## **Article X. Effective Date, Adoption, Amendment or Repeal of Bylaws**

### **Section 10.01 – PROCEDURE**

Bylaws may be adopted, amended, or repealed by a two-thirds majority vote of the Directors present at a meeting where a quorum is in attendance, except as provided in Section 10.02, and provided that notice of the proposed amendment has been given at least 15 days prior to such meeting.

### **Section 10.02 – IMPERMISSIBLE ARTICLES OF INCORPORATION OR BYLAWS**

No amendment of the Articles of Incorporation or these Bylaws may extend the term of a Director beyond that for which the Director was elected, except that, pursuant to Senate Bill 1283, a Director may serve for seven (7) out of eight (8) years. Any reduction in the number of Directors, as authorized in the Articles of Incorporation or these Bylaws, does not remove any Director before the expiration of his/her term of office.

-End-