

**BYLAWS OF UNITED STATES FEDERATION FOR WORKER COOPERATION  
A California Nonprofit Mutual Benefit Corporation**

**ARTICLE I – NAME**

**Section 1.01. Name.** The name of the corporation shall be the United States Federation for Worker Cooperation (USFWC).

**ARTICLE II – PRINCIPAL OFFICE**

**Section 2.01. Principal Office.** The principal office of the corporation, at which the general business of the corporation shall be transacted and at which the general records of the corporation shall be kept, shall be in San Francisco, California, or at such other place in the State of California as the Board of Directors may designate.

**ARTICLE III – PURPOSE**

**Section 3.01. General Purpose.** The purpose of USFWC is to engage in any lawful act or activity, other than a credit union business, for which a company may be organized under the Nonprofit Mutual Benefit Corporation Law of the State of California.

**Section 3.02. Specific Purpose.** The specific purpose of this corporation is to function as a membership association to advance worker cooperatives. Further, it is not organized and shall not be operated for pecuniary gain or profit and no income or profit shall be distributable to or inure to the benefit of private individuals. The corporation's activities are directed at improving business conditions for worker cooperatives. Its activities are not and shall not be directed at providing particular services for individual persons. This corporation is not engaged and shall not engage in a business ordinarily carried on by businesses for profit.

**ARTICLE IV – MEMBERSHIP**

**Section 4.01. Eligibility for Membership.** The following entities may apply for membership of the corporation:

(a) Worker-cooperatives (functionally defined as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise following the one person-one vote model [source: World Declaration on Cooperative Worker Ownership dated February 17, 2004]), Federation Partners (defined as an association of three or more worker cooperatives joined together for purposes of mutual aid), and 100% Employee Stock Ownership Plans (ESOPs) in which employee-owners have full voting rights (hereafter known as “Category 1” entities);

(b) Other democratic workplaces (including nonprofit collectives and volunteer collectives) and 51% to less than 100% worker-owned and democratically governed ESOPs (hereafter known as “Category 2” entities); and

(c) Entities that help develop and assist the worker cooperative movement through technical support, funding, and other vital assistance (hereafter known as “Category 3” entities).

Any entity listed in this Section dedicated to the purposes of the corporation shall be eligible for membership on approval of the membership application by the board-appointed membership committee and on timely payment of such annual dues and fees as the board may fix from time to time.

**Section 4.02. Weighted Voting.** All questions at a meeting of the membership at which a quorum is present shall be decided by a majority vote of the members present. Each member shall be eligible to appoint one voting representative to cast the member's vote(s) in the corporation elections described in Section 4.04. Votes among the three categories of membership listed in Section 4.01 shall be weighted. Three votes shall be apportioned to each Category 1 member; two votes shall be apportioned to each Category 2 member; and one vote shall be apportioned to each Category 3 member. Weighted votes cast by all Category 3 members shall not exceed 25% of the total weighted votes in any election or decision of this corporation.

**Section 4.03. Membership Responsibilities.** Each member must designate one voting representative to cast the member's vote(s) in corporation elections as set forth in Section 4.02. Members are responsible for making every reasonable effort to participate in the governance of this corporation. Members are responsible for effectively communicating within their organization about how they voted and what happened at meetings of this corporation.

**Section 4.04. Rights of Membership.** Members shall have the right to vote, as set forth in these bylaws, on the amendment of the articles of incorporation, on the amendment of these bylaws as set forth in Section 13.01, the election of directors, on the election of member-elected committee members, on any resolution or proposed expenditure which would significantly or extensively alter the nature of the corporation, on the annual budget, on the removal of any director as set forth in Section 7.10, 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. Further, members shall have the right to petition the board and to call for a referendum when 20% or more of the voting members support such a petition. Members shall also have the right to view minutes of the board of directors, minutes of Board-appointed committees, and financial statements of the corporation at any time. In addition, those members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. If the corporation is dissolved, those members shall receive a prorata distribution of assets, exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of the corporation and provision for any other payment required under applicable law.

**Section 4.05. Other Persons Associated with Corporation.** This corporation may refer to persons or organizations dedicated to the purposes of the corporation as "associates" or "associate members," even though those persons or entities are not voting members as set forth in Sections 4.02 and 4.04 of these bylaws, but no such reference shall constitute anyone as a member within the meaning of Corporations Code section 5056 unless that person or entity shall have qualified for a voting membership under Section 4.01 of these bylaws. References in these bylaws to "members" shall mean members as defined in Corporation Code section 5056, i.e. the members of categories set forth in Section 4.01 of these bylaws.

**Section 4.06. Annual Dues.** Each member must pay, within the time and on the conditions set by the board, the dues in amounts to be fixed from time to time by the board. Continued membership is contingent upon being up to date on membership dues.

**Section 4.07. Resignation and Termination.** Any member may resign by filing a written resignation with the secretary. Resignation shall not relieve a member of unpaid dues, or other charges previously accrued. The Board may terminate the membership rights of any member if a member fails to make timely payment of such annual dues and fees as the board may fix from time to time. The Board or Board-appointed membership committee may also terminate membership of any member who, upon review, no longer meets the membership eligibility criteria set forth in Section 4.01.

## ARTICLE V MEETINGS OF MEMBERS

**Section 5.01. Annual Meetings.** An annual meeting of the members shall take place at the specific date, time, and location so designated by the board of directors. If the scheduled date falls on a legal holiday, the meeting shall be held on the next full business day.

**Section 5.02. Special Meetings.** The board or the chairperson of the board, if any, or the executive director, or twenty percent or more of the members, may call a special meeting of the members for any lawful purpose at any time.

**Section 5.03. Place of Meetings.** Meetings of the members shall be held at any place within or outside California designated by the board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, member meetings shall be held at the corporation's principal office. The board may authorize members who are not present in person to participate by electronic transmission, electronic video communication, or telephonically.

**Section 5.04. Notice of Meetings.** Printed notice of each meeting shall be given to each voting member, by e-mail, fax, or mail, not less than two weeks prior to the meeting.

**Section 5.05. Quorum.** Twenty percent (20%) of the members shall constitute a quorum for the transaction of business at any meeting of the members. If, however, the attendance at any general or annual meeting is less than one third of the voting power, the members may vote only on matters as to which notice of their general nature was given under Section 5.04 of these bylaws. Except as otherwise required by law, the articles, or these bylaws, the members present at a duly-called or -held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

**Section 5.06. Adjournment without Quorum.** In the absence of a quorum, any meeting of members may be adjourned by a majority vote of the remaining members. No other business shall be transacted.

**Section 5.07. Voting.** Subject to California Nonprofit Mutual Benefit Corporation Law, members in good standing shall be entitled to vote at any meeting of members. Votes may be rendered in person, by mail, by proxy in accordance with Section 5.08, or via email. If a quorum is present, the affirmative vote of a majority of the voting power (as described in Section 4.02) represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Mutual Benefit Corporation Law or by the articles of incorporation.

**Section 5.08. Proxies.** Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the name of the member's appointee is placed on the proxy by the member or the member's attorney in fact, whether by manual signature, typewriting, facsimile transmission, or otherwise. Proxy votes shall be utilized to effect the presence of a quorum, but shall be limited to no more than 50% of the total voting persons present. Proxy votes only in the absence of the voting delegate.

## **ARTICLE VI ACTIONS WITHOUT MEETINGS**

**Section 6.01. Actions Without Meetings.** Any action required or permitted to be taken by the members may be taken without a meeting, if at least fifty-one percent (51%) of the members consent in writing to the action. An action by written consent shall have the same force and effect as a vote of the members at a meeting.

**Section 6.02. Solicitations of Written Ballots.** For any action without a meeting, corporation shall distribute one written ballot to each member entitled to vote on the matter. The ballots shall be mailed or delivered not less than thirty days prior to the date on which the ballot must be received in order to be counted. All solicitations of votes by written ballot shall (a) state the number of responses needed to meet the quorum requirement; (b) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (c) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (a) set forth the proposed action; (b) give the members an opportunity to specify approval or disapproval of each proposal; and (c) provide a reasonable time in which to return the ballot to the corporation.

**Section 6.03. Number of Votes and Approvals Required.** Approval by written ballot shall be valid only when (i) the number of votes cast by ballot (including ballots that are marked "abstain" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds fifty-one percent (51%) of the members, and (ii) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

## **ARTICLE VII BOARD OF DIRECTORS**

**Section 7.01. General Powers.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation law and any other applicable laws, and subject to any limitations of the articles of incorporation or these bylaws regarding actions that require approval of the members, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board.

**Section 7.02. Specific Powers.** Without prejudice to the general powers set forth in Section 7.01 of these bylaws, but subject to the same limitations, the board shall have the power to do the following:

(a) Appoint and remove, at the pleasure of the board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; and fix their compensation.

(b) 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 in or outside California; and designate a place in or outside California for holding any meeting of members.

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

**Section 7.03. Number of and Qualifications for Directors.** To stand for election, a person must be a member or employee of an active Federation member; and must have that workplace member's sponsorship or endorsement. In the case of Federation Partner members, staff and Directors of those organizations are eligible to stand for election, with the workplace member's sponsorship or endorsement. Board directors shall be elected by the members: four (4) 'regional' directors shall be elected in accordance with Section 7.04, and up to a maximum of five (5) 'at large' directors shall be elected from the corporation's national membership in accordance with Section 7.05. Subject to the foregoing, the Board shall consist of such number of directors, not less than four (4) or more than nine (9), with such qualifications as may be determined from time to time by the Board of Directors.

**Section 7.04. Regional Directors.** The corporation consists of the following four regional groups:

South: Alabama; Arkansas; Florida; Georgia; Louisiana; Kentucky; Mississippi; North Carolina; Oklahoma; South Carolina; Tennessee; Texas; Virginia; Puerto Rico; U.S. Virgin Islands.

West: Alaska; Arizona; California; Colorado; Hawaii; Idaho; Montana; Nevada; New Mexico; Oregon; Utah; Washington; Wyoming; American Samoa; Guam; Northern Mariana Islands.

North: Illinois; Indiana; Iowa; Kansas; Michigan; Minnesota; Missouri; Nebraska; North Dakota; South Dakota; Wisconsin.

East: Connecticut; Delaware; Maine; Maryland; Massachusetts; New Hampshire; New Jersey; New York; Ohio; Pennsylvania; Rhode Island; Vermont; Washington D.C.; West Virginia.

Regional directors shall be elected by a majority of members from each region. A regional director must either reside in the region he/she represents or work for an entity whose primary operations are located in the region.

**Section 7.05. 'At Large' Directors.** Up to a maximum of five (5) 'at large' directors shall be elected from the corporation's national membership. Subject to Section 7.11, if an 'at large' director vacancy arises on the Board, the Board shall send a notice to the membership calling for members to self-nominate themselves for candidature as an 'at large' director. That 'at large' elections process includes an inclusive representation check to be administered by the current board of directors as described in section 7.12.

**Section 7.06. Membership Reporting Responsibilities of the Board of Directors.** The Board shall issue an annual report to the membership, which shall consist of: standard financial reports in the form of a profit and loss statement and a balance sheet; a notice of hiring and termination activity; a list of new members, changes in membership status, and terminated memberships; details of strategic planning initiatives undertaken or implemented; and changes in the composition of the Board. The Board shall inform the membership of any proposed course of action or decision taken which significantly or extensively alters the nature of the corporation, and allow thirty to sixty days for general membership comment.

**Section 7.07 Term.** Each director shall serve a term of two (2) years that expires at the annual board meeting two years subsequent to his or her election and until a successor is elected and has accepted. The directors' terms of office shall be staggered such that regional directors are elected in even years and at-large directors are elected in odd years. A director

may only serve on the Board for a maximum of five consecutive terms or eleven consecutive years (whichever is longest), but may return to the Board after a two year absence.

**Section 7.08. Events Causing Vacancies on Board.** A vacancy or vacancies on the board of directors shall occur in the event of: (a) the death, removal, or resignation of any director; (b) the declaration by board resolution of a vacancy in the office of a director who has been declared of unsound mind by a court order, or, if the corporation holds assets in charitable trust, found by a final order or judgment of any court to have breached a duty arising under Corporations Code section 7238; (c) the vote of a majority of all members to remove any director(s); or (d) an increase in the authorized number of directors.

**Section 7.09. Resignation of Directors.** Any director may resign by giving written notice to the board chairperson or to the secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the members may elect a successor to take office as of the date when the resignation becomes effective.

**Section 7.10. Removal.** Any director may be removed, with or without cause, at any time by an affirmative vote of a majority of the membership.

**Section 7.11. Vacancies on the Board.** A vacancy on the board shall be filled by approval of a meeting of the members as set forth in Section 4.04. If a vacancy arises and over four months remain until the next annual meeting of the members, the board has the option to appoint a member or members of the corporation to act as interim director(s) until the next annual meeting of the board. Alternatively, if a vacancy arises and less than four months remain until the next annual meeting of the members, the board may either appoint a member of the corporation to act as interim director or leave the seat on the board vacant until the next annual meeting of the members; provided, however, that if the number of directors falls below four (4), the board may not leave the seat on the board vacant until the next annual meeting of the members. A director elected or appointed to a vacant seat shall, if necessary, serve an abbreviated term such that the staggering of terms described in Section 7.07 is not interrupted.

**Section 7.12. At Large Inclusive Representation Check.** It is the intent of this organization to have a board of directors that represents its' diverse membership. To accomplish this, an 'at large' election of 5 board members will include a check for inclusive representation.

The first board members elected during each 'at large' election will be the three individuals with the highest vote count. If a clear mandate in votes does not define either of the final two 'at-large' board members the current board of directors will select the final board member(s) from the pool of nominated candidates to guarantee an inclusive make-up that represents the membership and mission of the USFWC.

It is the responsibility of the current board of directors to review the make-up of the future board and to decide if the vote count should be superseded. It is also the responsibility of the current board to define "clear mandate" at the time of the election. (Examples of a clear mandate could be: Receiving over 50% of the vote in the overall election or receiving 75% of the vote from a region).

## **ARTICLE VIII MEETINGS OF BOARD OF DIRECTORS**

**Section 8.01. Place of Board Meetings.** Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

**Section 8.02. Meetings by Telephone or Other Telecommunications Equipment.** Any board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply: (a) Each member participating in the meeting can communicate concurrently with all other members; (b) 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.

**Section 8.03. Regular Meetings.** Regular meetings of the board of directors may be held from time to time at such place as the Board of Directors may designate.

**Section 8.04. Special Meetings.** A special meeting of the board of directors may be called for any purpose or purposes at any time by the chairperson of the board or upon written request of any three or more directors of the corporation. Upon request in writing to the chairperson or the secretary by any three or more directors, such officer shall forthwith cause to be given to the directors notice of a meeting as set forth in section 8.06 not less than seven nor more than 30 days after receipt of such request, as such officer may fix. Special meetings of the board of directors shall be held at the principal office or at such other place as the board of directors may designate. No business shall be transacted at a special meeting except that which has been specified in the notice of the meeting.

**Section 8.05. Notice of Meetings.** Written notice of each regular and special meeting of the Board of Directors stating the date, time and place and, in the case of a special meeting, the purpose thereof, shall be delivered, e-mailed, mailed or faxed, not less than seven nor more than 30 days prior to the meeting, to each director entitled to vote at the meeting at his or her last address according to the available records of the corporation. For urgent or emergency meetings, this written notice may be given no less than 48 hours in advance.

**Section 8.06. Waiver of Notice.** A director may waive notice of a meeting of the Board. A waiver of notice by a director entitled to notice is effective whether given before, at, or after the meeting, and whether given orally, in writing, or by attendance. Attendance by a director at a meeting is a waiver of notice of that meeting unless the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting.

**Section 8.07. Quorum.** A quorum must be attended by at least fifty percent (50%) of the board members for business transactions to take place and motions to pass. 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 an act of the board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including without limitation, the provisions on (a) approval of contracts of transactions between this corporation and one or more directors or between this corporation and any entity in which a director has a material financial interest, (b) creation of and appointments to committees of the board, (c) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

**Section 8.08. Voting.** Each director with voting rights shall have one (1) vote. Except as otherwise provided in the California Statutes, the articles of incorporation of the corporation, or these bylaws, all questions at a meeting of the board of directors at which a quorum is present shall be decided by consensus-minus-one of the directors present. In these bylaws, the word “consensus” means “unanimous vote” and “consensus-minus-one” means less than unanimous by one vote only. In any board meeting where action by consensus-minus-one is required, the following procedure shall be followed: (i) the board shall strive to reach consensual agreement on the issue before it; (ii) If no consensus-minus-one is reached within the initial board meeting and by the end of the next (second) board meeting, a “deadlock” may be declared by a vote of at least two-thirds of the directors of the board (the “Time Constraint Exception”). After a deadlock has been declared, the issue shall be resolved in favor of a decision, approved by a simple majority of the directors in attendance at the second board meeting. Any tie on the board shall constitute a failure to pass the resolution and neither the chairperson nor anyone else shall cast a tie-breaking vote.

**Section 8.09. Adjournment.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

**Section 8.10. Action without a Meeting.** Any action required or permitted to be taken at a meeting of the board of directors may be taken by written action signed by the number of directors who would be required to take the same action at a meeting of the board of directors at which all directors were present, provided, however, that all directors must be notified immediately of its text and effective date; and provided further that the written action is effective when signed by the required number of directors, unless a different effective time is provided in the written action. Failure to provide the notice does not invalidate the written action. A director who does not sign or consent to the written action is not liable for the action.

## ARTICLE IX

## BOARD-APPOINTED COMMITTEES

**Section 9.01. Executive Committee.** An executive committee comprised of the officers of the corporation and such other persons as may be appointed by the board of directors may act during intervals between meetings of the board of directors. During such intervals and subject to the board's control and direction, the executive committee shall have and may exercise all of the authority and powers of the board of directors subject to such limitations as the board may impose from time to time. Unless specifically authorized by the board of directors by resolution approved by the affirmative vote of a majority of the directors, the executive committee shall not have the authority and power to elect officers, to amend the articles of incorporation, to adopt a plan of merger or consolidation, to authorize the sale or other disposition of all or substantially all of the property and assets of the corporation, to authorize a voluntary dissolution of the corporation or a revocation thereof, or to amend these Bylaws.

**Section 9.02. Creation and Powers of Other Committees.** The board, by resolution adopted by a majority of the directors then in office, may create one or more other committees and may adopt such regulations as it deems advisable with respect to the membership, authority and procedures of such committees. A committee shall consist of between three (3) and nine (9) persons. Any such committee shall have all the authority of the board, to the extent provided in the board resolution, except that no committee may do the following:

- (a) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of members;
- (b) Fix vacancies on the board or any committee of the board;
- (c) Create any other committees of the board or appoint the members of committees of the board;
- (d) Fix compensation of the directors for serving on the board or on any committee;
- (e) Amend or repeal the articles of incorporation or adopt new articles of incorporation for this corporation;
- (f) Amend or repeal these bylaws or adopt new bylaws;
- (g) Amend or repeal any resolution of the board that by its express terms is not so amenable or repealable;
- (h) Adopt a plan of merger or consolidation;
- (i) Authorize the sale or other disposition of all or substantially all of the property and assets of the corporation; or
- (j) Authorize a voluntary dissolution of the corporation or a revocation thereof.

**Section 9.03. Quorum.** A quorum must be attended by at least fifty percent (50%) of a committee's members for business transactions to take place and motions to pass.

**Section 9.04. Voting.** Each committee member with voting rights shall have one (1) vote. All questions at a committee meeting at which a quorum is present shall be decided by a consensus-minus-one of the committee members present. As described in Section 8.08, in these bylaws, the word "consensus" means "unanimous vote" and "consensus-minus-one" means less than unanimous by one vote only. In any committee meeting where action by consensus-minus-one is required, the following procedure shall be followed: (i) the committee shall strive to reach consensual agreement on the issue before it; (ii) If no consensus-minus-one is reached within the initial committee meeting and by the end of the next (second) committee meeting, a "deadlock" may be declared by a vote of at least two-thirds of the members of the committee (the "Time Constraint Exception"). After a deadlock has been declared, the issue shall be resolved in favor of a decision, approved by a simple majority of the directors in attendance at the second committee meeting. Any tie on the committee shall constitute a failure to pass the resolution and neither the chairperson nor anyone else shall cast a tie-breaking vote.

**Section 9.05. Rules of Procedure.** Subject to these bylaws and to such regulations as the board of directors and the executive committee may adopt from time to time, each committee designated by the board of directors or the executive

committee may fix its own rules of procedure and may hold meetings at such times and places as it may, from time to time, determine.

**Section 9.06. Minutes.** Committees shall keep full and complete records of all meetings and actions. Minutes of committee meetings must be made available upon request to members of the committee and to all directors and members.

## **ARTICLE X OFFICERS**

**Section 10.01. Election, Qualification, Terms.** The officers of the corporation shall consist of a chairperson of the Board, a vice chairperson, an executive director, a secretary, and a Chief Financial Officer, all of whom shall be elected by the directors at an annual meeting of the board of directors, and such other officers as may be elected or appointed from time to time by the board of directors. Any number of offices or functions of those offices may be held or exercised by the same person. The chairperson and vice chairperson shall be members of the board of directors. Each officer shall hold office until his or her successor is elected and qualified, provided that each officer shall serve at the pleasure of the board of directors and may be removed with or without cause at any time by the board of directors.

**Section 10.02. Chairperson of the Board.** The chairperson of the board shall preside at all meetings of the board of directors and shall perform such other duties as may be determined by the board of directors.

**Section 10.03. Vice Chairperson.** The vice chairperson shall have all of the authority and perform all of the duties of the chairperson in the absence of the chairperson or when circumstances prevent the chairperson from acting and shall perform such other duties as may be determined by the board of directors.

**Section 10.04. Secretary.** The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of member's 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 board and committee meetings; and the number of members present 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, 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, and of committees of the board that these bylaws require to be given. The secretary shall also have such other powers and perform such other duties as the board or the bylaws may require.

**Section 10.05. Chief Financial Officer.** The Chief Financial Officer shall be responsible for the keeping of accurate financial records for the corporation. The Chief Financial Officer shall be responsible for the depositing of all moneys, drafts and checks in the name of and to the credit of the corporation in such banks and depositories as the board of directors may designate. The Chief Financial Officer shall have power to endorse for deposit all notes, checks and drafts received by the corporation and issue checks and drafts in the name of the corporation as ordered by the board or directors, making proper vouchers therefor. The Chief Financial Officer shall render to the executive director and the board of directors whenever requested an account of all transactions as Chief Financial Officer and of the financial condition of the corporation. If one or more Chief Financial Officers are elected or appointed by the board of directors, the Chief Financial Officer may delegate thereto any of the foregoing duties.

**Section 10.06. Authority and Duties.** In addition to the foregoing authority and duties, all officers of the corporation shall respectively have such authority and perform such duties as may be designated from time to time by the board of directors.

**Section 10.07. Resignation; Removal; Vacancies.** Any officer may resign at any time by giving written notice to the board of directors. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any officer may be removed with or without cause by a resolution adopted by the board of directors. A vacancy in an office for any reason may, and in the case of a vacancy in the office of executive director or Chief Financial Officer must, be filled for the unexpired part of the term as determined by the board of directors, provided that in the absence of an election or



appointment of officers by the board of directors, the persons exercising the principal functions of the executive director or the Chief Financial Officer is considered to have been elected to the office.

## **ARTICLE XI EXECUTIVE DIRECTOR AND STAFFING**

**Section 11.01. Executive Director and Staffing.** The Executive Director is appointed by the Board of Directors and serves, without vote, as an ex-officio member of the Board and all Board Committees. The Executive Director is responsible for the management and staffing of the Corporation and the implementation of policies as established by the Board of Directors. In the event there is no Executive Director, the Chairperson shall fulfill the role as Interim Executive Director; while serving as Interim Executive Director, the Chairperson is entitled to any usual and customary salary budgeted for the Executive Director. If the Chairperson is unable or unwilling to serve as Interim Executive Director, the Chairperson may delegate the role to another suitably qualified person.

## **ARTICLE XII INDEMNIFICATION AND INSURANCE**

**Section 12.01. Indemnification.** To the fullest extent permitted by law, this corporation shall indemnify its officers, directors, board-appointed committee members, employees and agents in the manner set forth in Corporations Code 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 California Corporations Code 7237(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 in California Corporations Code 7237(a). In addition, the corporation may, in the sole discretion of the board of directors, indemnify such persons or any other person under such circumstances or different circumstances as the board of directors shall deem appropriate as long as the board reasonably believes such indemnification to be in the best interests of the corporation. The provisions in this Article are subject to any legal requirements and restrictions for tax-exempt organizations under applicable federal and state law.

**Section 12.02. Advancement of Expenses.** 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 Section 12.01 of these bylaws in defending any proceeding covered by that Section 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.

**Section 12.03. Rights Not Exclusive.** The indemnification provided by this article shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. Nothing contained in this article shall affect any rights to indemnification to which the corporation's personnel may be entitled by contract or otherwise under law.

**Section 12.04. Insurance.** The corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, committee members, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, committee member, employee, or agent in such capacity or arising from such officer's, director's, employee's, or agent's status as such.

## **ARTICLE XIII AMENDMENTS**

**Section 13.01. Amendment.** These bylaws may be amended by a majority vote of the board of directors at any board meeting, except for the following types of bylaw changes, which require membership approval:

- (a) A bylaw amendment specifying or changing the number of directors.
- (b) A bylaw amendment increasing the length of directors' terms.

(c) A bylaw amendment providing for selection of directors by designation.

(d) A bylaw amendment that would change the number necessary for a quorum at membership meetings, create or change proxy rights, or change or repeal cumulative voting rights.

A proposal to amend the bylaws must be distributed to directors no later than seven days prior to the meeting, in order for a decision to be made on the item.

#### **ARTICLE XIV MISCELLANEOUS**

**Section 14.01. Execution of Instruments.** All deeds, mortgages, bonds, notes, checks, drafts, contracts and other instruments shall be signed on behalf of the corporation (a) by the chairperson of the Board and by the secretary or the Chief Financial Officer or an assistant Chief Financial Officer, or (b) by such other person or persons as may be designated from time to time by the board of directors.

**Section 14.02. Authority to Borrow and Encumber Assets.** No director, officer, agent or employee of the corporation shall have the power or authority to borrow on its behalf, to pledge its credit, or to mortgage or pledge its property except within the scope and to the extent of the authority delegated by resolutions adopted by the board of directors. The authority may be given by the board of directors for any of the above purposes and may be general or limited to specific instances.

**Section 14.03. Fiscal Year.** The fiscal year of the corporation shall be the twelve-month period ending December 31 of each year or such other period as the board of directors may designate.

**Section 14.04. No Corporate Seal.** This corporation shall have no corporate seal.