

**BYLAWS OF
ROTARY INTERNATIONAL DISTRICT 5300
A California Nonprofit Corporation
As amended on May 18, 2018**

**ARTICLE I
NAME**

The name of this Corporation shall be: ROTARY INTERNATIONAL DISTRICT 5300.

**ARTICLE II
OFFICERS**

SECTION 1. PRINCIPAL OFFICE

1. The principal office for the transaction of the business of the Corporation (“principal executive office”) is located in the State of California, County of Los Angeles.
2. The directors may change the principal office from one location to another. Any change of this location shall be noted by the Board of Directors for this section, or this section may be amended to state the new location.

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 do business.

**ARTICLE III
NONPARTISAN ACTIVITIES**

SECTION 1.

This Corporation has been formed under the non-profit California Public Benefit Corporate Statutes. No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in, (including the publishing or distribution of statements) any political campaign on behalf of any candidate. The Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation under Section 501(c) (4) of the Internal Revenue Code.

SECTION 2.

This corporation shall be a non-profit, non-share capital and/or not for profit entity, and it shall pay no dividend and no part of its money, property or other assets shall be distributed to its members, directors, or officers except for reimbursement of costs.

SECTION 3.

The objectives of this Corporation shall be: To hold and manage property and funds for nonprofit purposes including the assistance and support of the Rotary Clubs of District 5300 in their pursuit of programs and activities that promote the object of Rotary.

ARTICLE IV STATEMENT OF ORGANIZATION

SECTION 1.

If any provision of these articles of incorporation is not in conformity with the constitution, bylaws, or policies of Rotary International (RI), as amended from time to time, the terms of the constitution, bylaws, or policies of RI shall prevail at all times.

SECTION 2.

The members of this corporation shall be comprised of and limited to all Rotary clubs designated to be in District 5300 pursuant to the bylaws of Rotary International. The addition or removal of a club or clubs from District 5300 pursuant to the RI bylaws shall immediately and automatically result in a corresponding change in the membership of this corporation.

SECTION 3.

The number of directors of this corporation and their terms shall be determined by Article VII. The district governor of District 5300, the governor-elect of District 5300, and the most recent past district governor who served in District 5300 shall always be members of the board of directors. Only Rotarians who are active members of clubs in District may serve as directors.

SECTION 4.

The officers of this corporation shall be limited to Rotarians who are active members of clubs in District 5300. The district governor of District 5300 shall be the President of this corporation.

SECTION 5.

This corporation shall immediately and automatically cease operations and begin dissolution proceedings upon the vote of two-thirds of its members at the district conference of District 5300 or in a ballot-by-mail, or upon directive of the Board of Directors of RI. The district governor of

District 5300 shall provide the Board of Directors of RI with notice of a decision by the clubs in District 5300 to dissolve the corporation and shall provide a final report upon the completion of the dissolution process to the General Secretary of RI.

SECTION 6.

The district governor shall report annually to the clubs in the district on the status of the corporation.

SECTION 7.

These bylaws, together with amendments subsequently adopted, the *Constitution of Rotary International*, the *Bylaws of Rotary International*, and the most recent *Rotary Manual of Procedure* shall constitute the legislation governing the administration of District 5300, and shall replace and supersede any and all legislation previously enacted by District 5300 and shall supersede any provision in the bylaws which are in conflict with these documents unless requested by laws in the State of California.

SECTION 8.

Insofar as the provisions of the laws of the local jurisdiction shall permit, the corporate documents of an incorporated district shall be consistent with the constitution, bylaws, and policies of RI. In the event that there is any amendment to the constitution, bylaws, or policies of RI that cause a district's corporate documents to be inconsistent with the amended constitution, bylaws, or policies of RI, the district shall immediately amend its corporate documents so that they shall again become consistent. District Corporation shall act in accordance with the constitution, bylaws, and policies of RI, and shall not take any action inconsistent with the constitution, bylaws, and policies of RI.

SECTION 9.

New bylaws may be adopted or these bylaws may be amended or repealed by approval of the members or their proxies, or by written assent of these persons.

ARTICLE V DISTRICT GOVERNOR

SECTION 1.

1. The qualifications for district governor are as defined by Article 16, Section 16.080 of the Bylaws of Rotary International.

2. The duties of district governor are as defined by Article 16, Section 16.090 of the Bylaws of Rotary International.
3. The district governor of District 5300 shall have these additional duties:
 - A. Establish and supervise a district office at such a location as the district governor shall select. This office will be responsible for maintaining the official files of the district including:
 - a. Copies of relevant reports and correspondence of the current district governor made to Rotary International and The Rotary Foundation.
 - b. Current and past district financial reports
 - c. Current and past district directories
 - d. Current and past governors' monthly newsletters
 - e. Current and past contracts and agreements.
 - B. The district governor shall pass control of the office files, together with any district-owned properties, to the district governor's successor after the close of the district governor's term of office.

SECTION 2. NOMINATING COMMITTEE

1. The district shall select a nominee for governor in accordance with Article 14 of the *Bylaws of Rotary International*.
2. District 5300 shall select its governor-nominee at least twenty four (24) months and not sooner than thirty four (34) months prior to becoming governor and shall utilize the nominating committee procedure.
3. The district's Nominating Committee shall consist of twelve (12) members, each of whom is a current member in good standing of a Rotary club in District 5300. The members shall be appointed by the governor-elect and shall consist of three (3) past district governors (one (1) of whom serves as chair), three (3) past club presidents, three (3) past assistant governors or executive assistant governors, and three (3) current club presidents. In addition the governor-elect shall appoint four (4) alternates, one (1) in each of the four (4) categories.
4. The district Nominating Committee shall reflect the make-up of the Rotary clubs in District 5300 to ensure equitable participation by small and large clubs, established and new clubs, California and Nevada clubs, and other factors as may be considered worthy. To assure all Rotarians that the membership of the District Nominating Committee reflects the make-up of the Rotary clubs in the district, the membership of this committee shall be announced after the meeting of the committee.

5. The chair of the district's Nominating Committee shall be appointed by the governor-elect and shall be one of the three (3) past district governors. The chair shall be an active voting member of the committee, and should there be an unresolved tie vote, he/she will cast an additional vote to break the tie.

6. The members of the committee shall have the task of seeking qualified candidates and asking clubs to submit nominations of qualified Rotarians.

ARTICLE VI OFFICERS OF THE CORPORATION

1. District governor shall be president.
2. District governor-elect shall be vice-president.
3. District treasurer shall be the treasurer.
4. District governor-nominee shall be corporate secretary.

ARTICLE VII BOARD OF DIRECTORS

1. The powers and affairs of District 5300 shall be under the direction and control of the district governor. The Board of Directors serves in an advisory capacity to the seated district governor.
2. The Board of Directors shall consist of the district governor, district governor-elect, district governor-nominee, the most recent past district governor who served in the district, and the district governor-designate. The current governor has the authority to appoint any member in good standing in District 5300 to the Board of Directors.
3. The current district governor shall serve as the chair of the Board of Directors.
4. The role of the Board of Directors is to provide advice and council regarding current and future programs and activities; long-term strategic planning; and, as appropriate, district financial issues to the current leadership.
5. The corporate treasurer may attend Board of Director's meetings as needed as a non-voting member of the Board.

ARTICLE VIII BUDGET AND FINANCE COMMITTEE

1. The district's Budget and Finance Committee shall consist of the district governor, the district governor-elect, the district governor-nominee, the district governor-designate, three (3) Rotarians at-large who are active members in good standing of clubs in the district, and the district treasurers appointed by the district governor and the district governor-elect. When selecting the three Rotarians at-large, preference should be given to past district governors, Rotarians with experience as accountants, attorneys, bankers, financial advisors, or people with experience in preparing, reading and analyzing financial statements. Each year the district governor nominee should appoint one of these three Rotarians-at-large for a three-year term, the most senior of the three shall serve as the chair of the Budget and Finance Committee, the second most senior as the vice-chair of the Budget and Finance Committee. In the first year after this amendment passes, the district governor shall appoint one Rotarian-at-large for a one-year term and the district governor-elect shall appoint one Rotarian-at-large for a two year term.
2. The District Treasurer shall not serve more than three (3) consecutive terms of office.
3. The Duties and Responsibilities of the Budget and Finance Committee:
 - A. The Budget and Finance Committee shall meet at least quarterly, offer input during the development of the district's proposed budget, review financial reports of income and expenditures, and advise the governor and governor-elect concerning finances of the district.
 - B. Prepare a budget of district expenditures in cooperation with the district governor-elect to be submitted to the clubs at least four weeks prior to approval at a meeting of incoming club presidents.
 - C. Based on the proposed budget, the Budget and Finance Committee shall recommend the amount of the per capita levy on the members of all clubs in the district.
 - D. Review and recommend the amount of per capita levy to be approved in accordance with RI Bylaws.
 - E. The District Budget and Finance Committee shall have a monthly financial statement that includes actual vs. budget figures and a balance sheet to be posted on the district website by the 15th of the following month.
 - F. Assure that proper records of income and expenditures are kept.

ARTICLE IX DISTRICT FINANCES

1. District finances will be in accordance with, Article 16, Section 16.060 of the *Bylaws of Rotary International*.
2. The fiscal year of the district shall extend from July 1 to June 30.
3. District 5300 must have at least one fund called "The District Fund" for financing district activities, sponsored projects and the administration and development of Rotary in the district. All funds collected shall be deposited into interest bearing account(s) in the name of the district that have been authorized by the Budget and Finance Committee.

4. The district treasurer shall establish interest-bearing reserve accounts as approved by the District Budget and Finance Committee, with the total reserve amount not to exceed an amount equal to one-third (1/3) of the current annual approved budget.
5. The signatory on the bank account(s) of the district fund shall be the district governor, the district treasurer, the chair of the Budget and Finance Committee and the vice-chair of the Budget and Finance Committee. The district governor always acts as the signatory of last resort. All checks must be signed by an authorized signatory. No check may be signed by use of rubber stamps.
6. The financing of district expenses shall be provided through a per capita levy on the members of all clubs in the district called "district dues." Based on the proposed budget, the Budget and Finance Committee shall recommend the amount of the per capita levy on the members of all clubs in the district.
7. The district governor-elect shall present the proposed district budget to a meeting of the club presidents-elect at Presidents-Elect Training Seminar (PETS) or the District Training Assembly, for final approval of three-quarters (3/4) of those incoming presidents present and voting. Thirty (30) days' notice prior to Presidents-Elect Training Seminar will be given to the presidents-elect.
8. The payment of per capita dues shall be divided into two (2) semi-annual periods extending from July 1 to December 31 and from January 1 to June 30. The payment of these dues shall be made within thirty days upon receipt of the invoice based upon the membership number of the clubs on those dates.
9. The budget shall be broken into two separate parts:
 - A. One in respect to district "internal operations" and one in respect to district "external community service programs."
 - B. The funds generated from district dues, Rotary International, and internal activities shall balance with the internal administrative and Rotarian training expenses.
 - C. The income generated from external programs and activities shall balance external community service programs and activities.
 - D. The internal and external budgets shall remain separate from each other.
 - E. The budget shall stand as the limit of expenditures for these purposes, unless otherwise amended by the Budget and Finance Committee.
10. The proposed budget of revenue and expenditures, once approved by three-fourths (3/4) of incoming club presidents present, shall be considered both an authorization and limitation on the finances of the district. This budget shall be monitored monthly by the district governor, district treasurer, and the chair of the Budget and Finance Committee for needed adjustments in revenue and expenses to maintain financial stability.

11. A request for use of reserve funds by the district governor shall be with the concurrence and approval of the District Budget and Finance Committee.

12. No single person shall be responsible for receiving, recording, and dispersing funds.

13. The expenditure of district funds shall be at the sole discretion of the district governor. All invoices shall be paid by the district treasurer or other authorized officer only when approved by the district governor. Amounts exceeding \$2,500.00 shall have the signatures of two of the three authorized signatories which include the district governor, district treasurer, and District Budget and Finance Committee chair and the vice-chair of the District Budget and Finance Committee. A check issued to the district governor must be approved by the District Budget and Finance Committee chair and signed by the district treasurer. If more than \$2,500, a check to the district governor must be counter-signed by the District Budget and Finance Committee chair.

14. All check requests shall be reviewed and approved by the District Governor and further, all check requests that exceed \$2,500.00 must be approved by the chair of the District Budget and Finance Committee.

A. All check requests made payable to the district governor must be approved by the chair of the District Budget and Finance Committee.

B. All check requests made payable to the district administrator or district bookkeeper shall be approved by the district governor and the chair of the District Budget and Finance Committee.

15. All blank checks shall be in the possession of the district bookkeeper, who is not a check signatory. The district bookkeeper shall report to the district treasurer, who has the responsibility of reviewing the work conducted by the bookkeeper for accuracy.

16. An annual statement and report of the districts' finances shall be compiled by an independent CPA selected by the district governor-elect.

17. The district governor shall provide to each club in the district the compiled report and statement within three (3) months of the completion of the governor's year in service.

18. The annual statement and report will be presented for discussion and adoption at the next district conference or meeting, to which all clubs are entitled to send a representative, for which thirty (30) days' notice has been given that the statement and report will be presented. If no such district meeting is held within sixty (60) days of the statement and report being issued, the governor shall conduct a ballot-by-mail requesting acceptance of the annual statement and report.

19. In accordance with Article 16, Section 16.060 of the Bylaws of Rotary International, any person who fails to fulfill financial requirements, including improperly administering the district fund or failing to comply with subsection 16.060.4., shall be prohibited from holding any RI or district office until financial irregularities are resolved within the district.

ARTICLE X
ADVISORY COUNCIL OF PAST DISTRICT GOVERNORS

1. The Advisory Council Past District Governors (also known as “Tarnished Brass”) shall consist of the district governor, the district governor-elect the district governor-nominee, the district governor-designate and past district governors. Past district governors include those who held office in District 5300. Widows, widowers, spouses, and significant others of the Advisory Council of Past District Governors are invited to meetings at the discretion of the sitting governor. Expenses are generally borne by the participants.
2. The district governor may call a council meeting of all past district governors at any time he/she feels it’s appropriate. The chair will be the past district governor who is two years out of office. The time and location of the meeting shall be left to the governor’s discretion. Traditionally there are two (2) council meetings each year.
3. The purpose of such meetings is to inform past district leadership of district and Rotary International goals and activities, and progress made toward their accomplishments.

ARTICLE XI
RESOLUTIONS COMMITTEE

1. The Resolution Committee of District 5300 shall consist of a chair appointed by the district governor-elect. When a resolution or district voting situation arises, the chair shall select two (2) past district governors (with the approval of the district governor) to serve on the committee. Members of the committee must be active members in good standing of Rotary clubs in District 5300.
2. The Resolutions Committee shall assure that the resolutions of District 5300 are in conformity with the *Constitution* and *Bylaws of Rotary International*.
3. At least forty-five (45) days prior to the district conference it shall distribute to all clubs of District 5300 all proposed resolutions other than those of congratulatory or commendatory nature.
4. The Resolutions Committee shall conduct balloting at the district conference as may be required. Such balloting will be with in accordance with, Article 16, Section 16.050 of *the Bylaws of Rotary International*.
5. In the event the District governor finds the need to present a resolution to the members at a time other than the District Conference, the governor may do so.

ARTICLE XII

COMMITTEES

1. To carry out the goals of the district, the district governor-elect shall appoint experienced Rotarians as chairs to each of the following standing committees during his/her year as governor:

- A. Public Relations
- B. Membership Development and Extension
- C. The Rotary Foundation
- D. District Training
- E. District Administration
- F. Vocational Service
- G. Community Service
- H. International Service
- I. Youth Service
- J. District Conference
- K. RI Convention Promotion

2. Each chair should be an active member in good standing of a Rotary club in District 5300. No chair shall serve as such for more than three (3) years in succession.

3. The district governor-elect shall be involved in the appointments to subcommittees under each of the standing committees. The length of these appointments shall not exceed the Rotary year. Members of these committees may be reappointed as desired by the incoming district governor.

4. As needs arise, the district governor may appoint and have committees to accomplish specific tasks.

5. District committees should work with relevant Rotary International and the The Rotary Foundation committees or resource groups, as well as Rotarians appointed by the Rotary International president or trustee chair, to facilitate action at the district or club levels.

6. District committees should regularly report the status of their activities to the governor.

7. All committee members and chairs serve at the pleasure of the current district governor.

ARTICLE XIII

EXECUTIVE ASSISTANT GOVERNORS AND ASSISTANT GOVERNORS

1. As part of the District Leadership Plan, the governor-elect shall appoint qualified, knowledgeable Rotarians as assistant governors to provide administrative services and support to assigned clubs. Additionally the governor-elect may appoint executive assistant governors to

whom a number of assistant governors report. Assistant governors and executive assistant governors must be active members of Rotary clubs in District 5300.

2. Assistant governors shall have completed a year as a president of Rotary club. Executive assistant governors shall also have completed at least one year as an assistant governor.
3. The qualifications and duties of assistant governors and their roles and responsibilities are detailed in the *Rotary Manual of Procedure*.
4. The executive assistant governors and assistant governors are appointed for a one (1) year term and may not serve more than three (3) consecutive terms. Service as an executive assistant governor and assistant governor is at the pleasure of the district governor.

ARTICLE XIV DISTRICT CONFERENCE

1. The purpose of the annual district conference is to further the *Objects of Rotary* through fellowship, inspirational addresses, and the discussion of matters related to the affairs of the clubs and the district. The conference should showcase successful club and district programs encouraging interaction and dialogue.
2. The selection of the district conference location and date shall be at a time and place agreeable to the district governor-elect and to the incoming presidents of a majority of the clubs in the district in accordance with Article 16, Section 16.040 of the *Bylaws of Rotary International*.
3. In planning the conference, the district conference committee shall follow the requirements and recommendations as listed in the *Rotary Manual of Procedure*.

ARTICLE XV DISTRICT TRAINING ASSEMBLY

1. The district governor-elect shall convene a District Training Assembly for the training of incoming club presidents and club members to serve in key leadership roles in their clubs in the upcoming year. As indicated Article 13, Section 5c of the *Standard Rotary Club Constitution* it is a requirement that a president-elect attend the District Training Assembly and the Presidents-elect Training Seminar (PETS) prior to serving as a club president.
2. The specific date, time, location, content, format, topics covered, and costs of the District Training Assembly shall be determined by the governor-elect and the District Training Assembly committee.

ARTICLE XVI

YOUTH PROTECTION

1. All Rotarians, clubs, and the district should follow the “Statement of Conduct for Working with Youth” and Rotary International’s guidelines for abuse and harassment prevention established by the general secretary.
2. District 5300 shall have a comprehensive youth protection policy, certified by Rotary International.
3. Any Rotarian or volunteer under the auspices of the district who accompanies youth on overnight activities or houses youth as part of the Rotary Youth Exchange Program must successfully complete the district’s youth Protection Training Program and provide necessary information for a background check.
4. The governor-elect shall appoint a youth protection compliance officer who shall oversee the implementation of these policies and programs.

ARTICLE XVII AMENDMENTS TO THE DISTRICT BYLAWS

1. These bylaws may be amended at any District 5300 conference by a majority vote of the electors present and voting at the business meeting.
2. Amendments to these bylaws may be proposed by any club in the district or by the district governor.
3. Proposed amendments must be submitted in writing to the district governor at least ninety (90) days prior to the district conference at which they are proposed. The district governor shall review the proposed amendments with the Board of Directors prior to forwarding them onto the district’s Resolutions Committee. The Resolutions Committee shall forward the proposed amendments to all clubs in the district forty-five (45) days prior to the district conference.
4. Amendments to these bylaws shall be effective beginning July 1 following the district conference at which they were adopted.

ARTICLE XVIII DEDICATION OF ASSETS

SECTION 1.

1. The properties and assets of this nonprofit Corporation are irrevocably dedicated to fulfillment of the Objectives and Purposes of this Corporation as set forth in Article III hereof. No part of the net earnings of the Corporation shall inure to the benefit of, or be

distributable to its members, trustees, officers, directors or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose set forth in the purpose clause hereof.

2. Upon the liquidation or dissolution of the Corporation, all properties and assets and obligations shall be distributed for one or more exempt purposes within the meaning of section 501(c) (4) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the applicable court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

SECTION 2. TRANSFER OF MEMBERSHIPS

No member may transfer for value a membership or any right arising from it.

ARTICLE XIX MEETINGS OF MEMBERS

SECTION 1. PLACE OF MEETING

Meetings of the membership shall be held at any place within or outside the State of California designated by the Board of Directors.

SECTION 2. ANNUAL MEETING

The annual meeting of members shall be held at the District Conference (unless the Board of Directors fixes another date and so notifies the members as provided in Section 3 of this Article.)

SECTION 3. NOTICE OF MEMBERS MEETINGS

1. General notice contents. All notices of meetings of members shall be sent or otherwise given not less than ten (10) nor more than ninety (90) days before the date of the meeting or as may be otherwise ordered by the directors. The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving of the notice, intends to present for action by the members.

2. Manner of giving notice. Notice of any meeting of members shall be given either

personally or by first-class mail, e-mail or other written communication, charges prepaid, addressed to each member either at the address of that member appearing on the books of the Corporation or the address given by the member to the Corporation for the purpose of notice.

3. Affidavit of mailing notice. An affidavit of the mailing or other means of giving any notice of any members meeting may be executed by the secretary, or any other party of the Corporation giving the notice, and if so executed, shall be filed and maintained in the minute book of the Corporation.

SECTION 4. QUORUM

1. Percentage required. Thirty-three and one-third percent (33 1/3%) of the members shall constitute a quorum for the transaction of business at a meeting of the members. A lesser amount may constitute a quorum if notice of the general nature of the meeting is sent to the members at least ten (10) days before the meeting. The number of votes each club has will be based upon the number of Rotarians in an individual club. The election shall be conducted in the same manner as other elections at the district conference following provisions of RI bylaw Article 16, Section 16.050.

2. Loss of quorum. The members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

SECTION 5. ADJOURNED MEETING

Any meeting, annual or special, 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. But in the absence of a quorum, no other business may be transacted at that meeting, except as provided in this Article.

SECTION 6. WAIVER OF NOTICE OR CONSENT BY ABSENT MEMBERS

1. Written waiver of consent. The transactions of any meeting of members, either annual or special, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum be present. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters. The waiver of notice or consent 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.

2. Waiver by attendance. Attendance by a person at a meeting shall also constitute a

waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting, if that objection is expressly made at the meeting.

SECTION 7. ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Any action that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice if written ballots are received from a number of members at least equal to the quorum applicable to a meeting of members. All such written ballots shall be filed with the district administration and maintained in the corporate records. All solicitations of ballots shall indicate the time by which the ballot must be returned to be counted.

ARTICLE XX VACANCIES ON THE BOARD OF DIRECTORS

SECTION 1.

1. Events causing vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director, (ii) the declaration by resolution of the Board of Directors of a vacancy of the office or a director who has been declared of unsound mind by an order of court or convicted of a felony or who has been found guilty by final order of a judgment of any court.

2. Resignations. Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the chairman of the board, the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may elect a successor to take office when the resignation becomes effective. No director may resign when the Corporation would then be left without a duly elected director or directors in charge of its affairs.

SECTION 2. ANNUAL MEETING

Immediately following each annual meeting of members, the Board of Directors shall hold a regular meeting for the purpose of the election of officers, and the transaction of other business. Notice of this meeting shall not be required.

SECTION 3. OTHER REGULAR MEETINGS

Other regular meetings of the Board of Directors shall be held without call at such times shall time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

SECTION 4. SPECIAL MEETINGS

1. Authority to call. The Governor as the president, or any vice-president, the secretary, or any two directors may call special meetings of the Board of Directors for any purpose at any time.
2. Notice.
 - A. Manner of giving. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery or written notice; (b) by first-class mail, postage paid; (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or (d) by e-mail; or (e) by telegram, charge prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Corporation.
 - B. Time requirements. Notices sent by first-class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or e-mail shall be delivered, telephoned, or given to the e-mail company as least forty-eight (48) hours before the time set for the meeting.
 - C. Notice contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of the meeting.

SECTION 5. QUORUM

A majority of the Board of Directors must be present to constitute a quorum authorized for the transaction of business done or made by a majority of the directors present at a meeting duly held.

SECTION 6. WAIVER OF NOTICE

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

SECTION 7. ADJOURNMENT

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

SECTION 8. ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written e-mail consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

ARTICLE XXI INDEMNIFICATION OF DIRECTORS, OFFICERS EMPLOYEES AND OTHER AGENTS

SECTION 1. DEFINITIONS

For the purpose of this Article,

1. “Agent” means any person who is or was a director, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as director, officer employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this Corporation or of another enterprise at the request of the predecessor corporation.
2. “Proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and
3. “Expenses” includes, without limitation, all attorney fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorney fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

SECTION 2. SUCCESSFUL DEFENSE BY AGENT

To the extent that an agent of this Corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him, then the Board shall determine whether the agent is entitled to indemnification.

SECTION 3. ACTION BROUGHT BY OR ON BEHALF OF THE CORPORATION

1. Claims settled out of court. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this Corporation, with or without Court approval the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding.
2. Claims and suits awarded against agent. This Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action brought by or on behalf of this Corporation by reason of the fact that the person is or was an agent of this Corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:
 - A. The determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that section; and
 - B. Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnify for the expenses incurred. If the agent is found to be so entitled, the Court shall determine the appropriate amount of expenses to be reimbursed.

SECTION 4. DETERMINATION OF AGENT'S GOOD FAITH CONDUCT

The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

1. Required standard of conduct. The agents seeking reimbursement must be found, in the manner provided below, that he acted in good faith, in a manner he believed to be in the best interest of this Corporation, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere, or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in the best interest of this Corporation or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.
2. Manner of determination of good faith conduct. The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:
 - A. The Board of Directors by a majority vote of a quorum consisting of directors who are not parties to the proceeding:

B. The affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum).

C. The Court in which the proceeding is or was pending. Such determination may be made on application brought by this Corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not this Corporation opposed the application by the agent, attorney, or other person.

SECTION 5. LIMITATIONS

No indemnification or advance shall be made, except as provided in any circumstance when it appears:

A. That the indemnification or advance would be inconsistent with a provision of the articles, a resolution of the members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

B. That the indemnification would be inconsistent with any condition expressly imposed by a Court in approving a settlement.

SECTION 6. ADVANCE OF EXPENSES

Expenses incurred in defending any proceeding may be advanced by the Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

SECTION 7. CONTRACTUAL RIGHTS OF NON-DIRECTORS AND NON-OFFICERS

Nothing contained in this Article shall affect any right to indemnification to which person other than directors and officers of this Corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

SECTION 8. INSURANCE

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of 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 agents status as such, whether or not this Corporation would have the power to indemnify the agent against that liability under the provisions of this section.

**ARTICLE XXII
RECORDS AND REPORTS**

SECTION 1. INSPECTION RIGHTS

1. Any member of the Corporation may inspect and copy the records of the corporation, by giving prior written demand of the Corporation, stating the purpose for which the inspections are requested. The demand shall state the purpose for which the list is requested. This list shall be made available to any such member by the secretary on or before the later of ten (10) days after the demand is received or the date specified in it as the date which the list is to be compiled.
2. Any inspection and copying under this section may be made in person or by an agent or attorney of the member and the right of inspection includes the right to copy and make extracts.

**SECTION 2. MAINTENANCE AND INSPECTION
OF THE ARTICLES AND BYLAWS**

The Corporation shall keep at its principal executive office or if its principal executive office is not in the State of California, at its principal business office in this State, the original or a copy of the articles 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 executive office of the Corporation is outside the State of 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 and bylaws as amended to date.

**SECTION 3. MAINTENANCE AND INSPECTION OF
OTHER CORPORATE RECORDS**

The accounting books, records, and minutes of proceedings of the members and the Board of Directors and any such committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed or printed form. The minutes and accounting books and records shall be open to inspection on the written demand of any member, at any reasonable time during usual business hours, for a purpose reasonably related to the member's interests as a member. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the Corporation.

SECTION 4. INSPECTION BY DIRECTORS

Every director shall have the right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the Corporation and each of its subsidiary

corporations. This inspection by a director may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

SECTION 5. ANNUAL REPORT

The annual report to members referred to in the California Nonprofit Corporation Law is expressly dispensed with, but nothing in these bylaws shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the members. The Corporation shall provide to the directors, and to those members who request it in writing, within one hundred twenty (120) days of the close of its fiscal year, a report containing the following information in reasonable detail:

1. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
2. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
3. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
3. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
4. Any information required by the California Corporations Code, Section 6322.