

BYLAWS

OF

CALIFORNIA CENTER FOR SUSTAINABLE ENERGY

CALIFORNIA CENTER FOR SUSTAINABLE ENERGY

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## **BYLAWS**

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**OF**

# **CALIFORNIA CENTER FOR SUSTAINABLE ENERGY**

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**Amended and Restated October 10, 2007**

**BYLAWS**  
**OF**  
**CALIFORNIA CENTER FOR SUSTAINABLE ENERGY**

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## **BYLAWS**

### **OF**

## **CALIFORNIA CENTER FOR SUSTAINABLE ENERGY**

The bylaws of California Center for Sustainable Energy, previously known as The San Diego Regional Energy Office, are hereby amended and restated in their entirety as follows:

### **ARTICLE 1 OFFICES**

#### **SECTION 1. PRINCIPAL OFFICE**

The principal office of California Center for Sustainable Energy (the "Corporation") shall be located in San Diego County, California.

### **ARTICLE 2 PURPOSES AND ORGANIZATION**

#### **SECTION 1. OBJECTIVES AND PURPOSES**

The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The specific purpose of this corporation is to foster public policies and provide programs, services, information and forums that facilitate the adoption of clean, reliable, renewable, sustainable, and efficient energy technologies and practices.

#### **SECTION 2. ORGANIZATION**

This Corporation is organized under the California Nonprofit Public Benefit Corporation Law and shall be governed by that law, the articles of incorporation and these bylaws. In the event of a conflict, the articles of incorporation and the California Nonprofit Public Benefit Corporation Law shall control.

### **ARTICLE 3 MEMBERSHIP**

#### **SECTION 1. MEMBERS**

The Corporation shall have no members. Any action under the California Nonprofit Public Benefit Corporation Law that would otherwise require approval by a majority of all members

shall require only approval by the Board of Directors ("Board"). All rights which would otherwise vest in the members shall vest in the Board.

## **SECTION 2. HONORARY MEMBERS**

The Board may, by appropriate resolution, from time to time define and establish honorary members, auxiliaries, friends, associates, other support groups and the like and recognize such persons. None of such honorary members, auxiliaries, friends, associates or groups, or the constituents thereof, shall be or have the rights and privileges of "members" within the meaning of Section 5056 of the California Nonprofit Public Benefit Corporation Law with respect to the Corporation.

## **ARTICLE 4 BOARD OF DIRECTORS**

### **SECTION 1. NUMBER**

The Corporation shall have no less than nine (9) and no more than fifteen (15) Directors. The exact number of Directors within this range shall be as set by resolution of the Board from time to time.

### **SECTION 2. QUALIFICATIONS**

To be eligible for election to the Board, individuals must possess the following qualifications:

- (a) have sufficient knowledge or involvement in some aspect of energy, such as, conservation, production, financing, environmental issues, alternative energy sources, technology and the like;
- (b) have a firm interest in furthering the purposes and mission of the Corporation; and
- (c) be free of affiliations that would present a real or perceived conflict of interest including, but not limited to, being employed by or being an officer or director of another corporation that is a competitor of the Corporation.

### **SECTION 3. POWERS**

Subject to any limitations in the articles of incorporation, these bylaws and the laws of the State of California, all powers of the Corporation shall be exercised by or under authority of, its property controlled and its affairs conducted and managed by the Board. The primary function of the Board shall be to establish corporate policies for the direction and guidance of the Executive Committee, the officers, and the management of the Corporation. Without limiting the foregoing, the Board shall also have the following powers:

- (a) to select and remove any and all officers, and agents of the Corporation, prescribe such powers and duties for them as may not be inconsistent with the California Nonprofit Public Benefit Corporation Law, the articles of incorporation or these bylaws and fix their compensation, subject to the provisions of Section 10 or Article 5;
- (b) to hire or terminate the Executive Director;
- (c) to provide for the conduct, management and control of the affairs and business of the Corporation, and to make such rules and regulations therefor not inconsistent with law, the articles of incorporation or these bylaws, as they may deem best;
- (d) to borrow money and incur indebtedness for the purposes of the Corporation as need be and to cause to be executed and delivered therefor in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor; and
- (e) to appoint an Executive Committee and other committees, and to delegate any of the powers and authority of the Board in the management of the business and affairs of the Corporation, subject to the limitations set forth in Section 1 of Article 6 of these bylaws.

#### **SECTION 4. DUTIES**

It shall be the duty of the Directors to:

- (a) actively support the Corporation's policies and programs;
- (b) attend meetings of the Board as set forth in these bylaws;
- (c) register their addresses with the Secretary of the Corporation to ensure that notices of meetings sent to them at such addresses shall be valid notices thereof; and
- (d) abide by all fiduciary and other duties imposed upon them under law, the articles of incorporation and these bylaws.

#### **SECTION 5. DIRECTOR GROUPS AND TERM**

The Board of Directors shall be divided into two (2) groups as nearly equal in number as possible, designated as Group I and Group II, as follows:

- (a) Group I shall be elected at the annual meeting in December of even years; and
- (b) Group II shall be elected at the annual meeting in December of odd years.

The Directors in each group shall hold office until their respective initial terms have expired. Thereafter, each year the Board shall elect a number of Directors equal to the number of

Directors whose terms have expired, for a full term of two (2) years. Each Director shall serve for a term of two (2) years from the date of expiration of the term of the Director to whose office he or she succeeds. Any Director elected to succeed a Director who leaves or is removed from office for any reason prior to expiration of his or her term shall serve the balance of that term. Each Director shall hold office until the next annual meeting for election of the Directors as specified in these bylaws, and until his or her successor is appointed. All terms are subject to early expiration upon the occurrence of any of the events specified in Sections 17 or 18 of this Article.

Any Director may be re-elected for up to four (4) consecutive full terms. Any Director who has served four (4) consecutive full terms shall not be eligible for re-election to the Board for a period of at least one (1) year following the expiration of his or her fourth consecutive full term. In determining whether a Director has served four (4) consecutive full terms, if his or her commencement of service occurred at some time other than in the month of January, that Director's partial term of service on the Board shall not be counted as part of the four (4) consecutive full terms. Notwithstanding the foregoing, a Director shall be eligible for election to a fifth term consisting of one (1) year if he or she has demonstrated some particular skill, talent or experience that fills an important need on the Board. The Board may elect to extend such one (1) year term from year to year, up to a maximum of three (3) one (1) year terms. Notwithstanding the foregoing, any Director currently serving on the Board on October 10, 2007, may serve up to five (5) consecutive full terms.

#### **SECTION 6. ELECTION OF DIRECTORS AND TERM OF OFFICE**

The Directors to be elected shall be elected at each annual meeting of the Board, to commence service on January 1 of the following year, and may be elected at any special meeting of the Board held for that purpose. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected.

#### **SECTION 7. COMPENSATION**

Directors may receive reimbursement of expenses related to serving as a Director and may be compensated for additional services rendered to the Corporation as determined by the Board.

#### **SECTION 8. ANNUAL MEETING**

The annual meeting of the Board shall be held in the month of December of each year for the purpose of organization, election of Directors, appointment of officers and the transaction of such other business as may properly be brought before the meeting.

## **SECTION 9. REGULAR MEETINGS**

Regular meetings of the Board shall be held at least quarterly during the months of March, June, September and December on such dates and at such times as shall be determined by the Board. The regular meeting in December shall also be the annual meeting.

## **SECTION 10. SPECIAL MEETINGS**

Special meetings of the Board may be called by the Chairperson or by any three (3) Directors, and such meetings shall be held on the date and at the time designated by the person or persons calling the meeting.

## **SECTION 11. PLACE OF MEETINGS**

All meetings of the Directors shall be held at the offices of the Corporation or at such other place within or without the State of California as designated from time to time by resolution of the Board.

## **SECTION 12. NOTICE OF MEETINGS AND ADJOURNED MEETINGS**

Notice of the date, time and place of meetings of the Board shall be given to each Director at least forty-eight (48) hours before the date of the meeting if delivered personally or by telephone, including a voice mail system or other system designed to record and communicate messages, facsimile or electronic mail, and at least four (4) days before the date of the meeting if given by first class mail, postage prepaid, addressed to the Director at the address as it is shown upon the records of the Corporation, or if it is not so shown on such records, or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. Whenever any Director has been absent from any meeting of the Board an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director as required by the California Nonprofit Public Benefit Corporation Law and these bylaws. Notice of special meetings shall specify the nature of the business to be transacted. No items of business other than those specified in the notice of a special meeting may be transacted at a special meeting.

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

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

A quorum shall consist of a majority of the number of Directors then in office (as set by the Board under Section 1 of Article 4). Except as otherwise provided in these bylaws, no business

shall be considered by the Board at any meeting where a quorum is not present. In that event, the only motion that the Chairperson shall entertain at such meeting is a motion to adjourn. If a meeting is duly called and held meeting and a quorum is initially present, the Directors present may continue to do business notwithstanding the withdrawal of Directors from the meeting and the resulting loss of a quorum, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the bylaws of this Corporation.

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

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless the law or these bylaws require a greater percentage.

#### **SECTION 15. CONDUCT OF MEETINGS, CLOSED SESSIONS**

Meetings of the Board shall be presided over by the Chairperson of the Board, or in his or her absence by the Vice Chairperson. In case of absence of both the Chairperson and Vice Chairperson, a Director chosen by a majority of the Directors present at the meeting may preside.

After motion duly made and seconded, on the affirmative vote of any three (3) Directors, all or any part of any meeting of the Board will be held in closed session for the purpose of discussing in private any matter relevant to the business of the Corporation outside the presence of all or any of the officers of the Corporation, even if such officers are also Directors of the Corporation. The motion made for the closed session shall specify which officer(s) shall be excluded. The Chairperson shall designate one of the persons in attendance to keep minutes of the proceedings of the closed session.

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

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

Any action required or permitted to be taken by the Board under any provision of law may be taken without a meeting, if all Directors shall individually or collectively consent in writing to such action. Such action by written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board without a meeting and that the bylaws authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

## **SECTION 17. VACANCIES**

Vacancies on the Board shall exist (i) on the death, resignation or removal of any Director; (ii) whenever the number of authorized directors is increased; (iii) upon the expiration of the term of office of any Director; or (iv) upon the failure of the Directors, at any regular or special meeting at which any Director or Directors are elected, to elect the full number of Directors to be voted for at that meeting. No reduction in the authorized number of Directors shall have the affect of removing any Director prior to the expiration of his or her term.

In addition, the Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony.

All vacancies on the Board shall be filled by a majority of the remaining Directors though less than a quorum, or by a sole remaining Director. Each Director so elected to fill a vacancy shall hold office for the remainder of the predecessor's unexpired term and until the election of a successor as set forth in Section 6 of this Article. If the Board accepts the resignation of a Director tendered to take effect at a future time, the Board shall have the power to elect a successor to take office when the resignation shall become effective.

## **SECTION 18. REMOVAL OF DIRECTORS; RESIGNATION**

A Director or Directors may be removed from office by a vote of the majority of the Board at any Board meeting, with or without cause. Any Director who fails to attend at least fifty percent (50%) of the Board meetings in any one (1) year (between annual meetings) shall be subject to removal. Prior to any such removal, the Chairperson shall meet with such Director to determine the Director's continued interest in remaining on the Board. Any Director may resign at any time by giving written notice of such resignation to the Board, unless there would be no Director left in charge of the Corporation's affairs upon resignation by such Director, in which case such Director must first give notice to the Attorney General for the State of California of the intended resignation. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## **SECTION 19. PROXY VOTING PROHIBITED**

Voting by proxy shall not be permitted.

## **SECTION 20. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE**

Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all persons participating in such meetings can hear one another.

## **SECTION 21. RIGHTS OF INSPECTION**

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind except any records whose confidentiality and prohibition from disclosure is prescribed by law.

## **SECTION 22. INTERESTED PERSONS**

Pursuant to Section 5227 of the California Nonprofit Corporation Law, no more than forty-nine percent (49%) of the Directors serving on the Board may be "interested persons." For the purposes of this Section 22, "interested person" means either (i) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months whether as a full time or part time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law of any such person. In light of the foregoing limitations, all Directors shall complete an annual questionnaire dealing with this subject matter.

## **SECTION 23. STANDARD OF CONDUCT**

Pursuant to Section 5231 of the California Nonprofit Public Benefit Corporation Law, a Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation (duty of loyalty) and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

In exercising his or her duty of loyalty, a Director shall act in a manner that he or she believes to be in the best interests of the Corporation, including the members of minority factions, to administer his or her corporate powers for the common benefit, and to advance and achieve the purposes of the Corporation rather than the individual interests of any Director.

In exercising his or her duty of reasonable inquiry, a Director may rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) one or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;
- (b) counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- (c) a committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after

reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

## **SECTION 24. SELF-DEALING TRANSACTIONS**

Pursuant to Section 5233 of the California Nonprofit Public Benefit Corporation Law, the Corporation shall not be a party to a transaction in which one or more of its Directors has a material financial interest ("Interested Director") unless:

- (a) the Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or
- (b) prior to entering into the transaction, after full disclosure to the Board of all material facts regarding the proposed transaction and the Interested Director's interest, and after investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):
  - (1) resolves and finds that (i) the transaction is in the Corporation's best interest and for the Corporation's own benefit, (ii) the transaction is fair and reasonable as to the Corporation, and (iii) after reasonable investigation under the circumstances as to alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and
  - (2) approves the entire transaction. In the event it is not reasonably practicable to obtain approval of the Board prior to entering into such transaction, the Corporation may enter into such transaction if, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in this section and the Board, after determining in good faith that the Corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office, without counting the vote of the Interested Director. In light of the foregoing limitations, all Directors shall fill out an annual questionnaire dealing with this subject matter.

## **SECTION 25. NON-LIABILITY OF DIRECTORS**

No Director shall be personally liable for the debts, liabilities or other obligations of the Corporation.

## **SECTION 26. COMPLIANCE WITH BOARD POLICIES**

At all times the Directors shall abide by the Board Policies as established and amended by the Board from time to time. Should there be any inconsistency between any of the Board Policies and any provision of these bylaws or the articles of incorporation, the provisions of the articles of incorporation and these bylaws shall control.

## **SECTION 27. COMPLIANCE WITH CALIFORNIA NONPROFIT INTEGRITY ACT**

The Board shall cause the Corporation to comply at all times with the applicable provisions of the California Nonprofit Integrity Act of 2004 (California Government Code, Sections 12585 et seq.). If any provision of these bylaws is in conflict with the provisions of the California Nonprofit Integrity Act of 2004, the California Nonprofit Integrity Act of 2004 shall control.

## **ARTICLE 5 OFFICERS**

### **SECTION 1. OFFICERS**

The officers of the Corporation shall be a Chairperson of the Board, a Vice Chairperson, a President, an Executive Vice President, a Secretary and a Chief Financial Officer (who shall be referred to as the Treasurer), and such other officers as the Board determines. One (1) person may hold two (2) or more offices, however, neither the Secretary nor the Treasurer may serve concurrently as the Chairperson or the President, pursuant to Section 5213 of the California Nonprofit Public Benefit Corporation Law. All officers shall be chosen by and hold office at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment.

### **SECTION 2. APPOINTMENT AND TERM**

Each officer of the Corporation shall be appointed by the Board to serve a term of two (2) years and shall hold office until he or she resigns, is removed or otherwise disqualified to serve, whichever first occurs, or until his or her successor shall be appointed and qualified to serve. Compensation for officers and reimbursement of their expenses shall be as determined from time to time by the Board, subject to the provisions of Section 10 of this Article 5.

### **SECTION 3. SUBORDINATE OFFICERS**

The Board may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board may from time to time determine.

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

Any officer may be removed, either with or without cause, by the Board at any regular or special meeting of the Board. The removal of any officer shall be without prejudice to the rights, if any, of him or her under any contract of employment with the Corporation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary of the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. No person appointed as an officer has a proprietary interest in his or her position.

#### **SECTION 5. VACANCIES**

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular appointment of such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

#### **SECTION 6. CHAIRPERSON AND PRESIDENT**

The Chairperson of the Board shall also be the President of the Corporation. He or she shall preside at all meetings of the Board, subject to Section 17 of Article 4 of these bylaws. He or she shall be an ex-officio member of all standing committees, including the Executive Committee, and shall have such other powers and duties as may be prescribed by the Board or these bylaws. He or she shall have general supervision of the Executive Director and shall have the general powers and duties of management usually vested in the office of president of a corporation.

#### **SECTION 7. VICE CHAIRPERSON AND EXECUTIVE VICE PRESIDENT**

The Vice Chairperson shall also be the Executive Vice President of the Corporation and shall assume the duties of Chairperson and President in the case of absence or vacancy in the office of the President. The Executive Vice President shall have the general powers and duties of management usually vested in the office of a vice president of a corporation.

#### **SECTION 8. SECRETARY**

The Secretary shall keep or cause to be kept, at the principal office of the Corporation in the State of California, the original or a copy of the Corporation's articles of incorporation and bylaws, as amended to date. The Secretary shall keep, or cause to be kept, a book of minutes at the principal office, or such other place as the Board may order, of all meetings of Board, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board meetings, and the proceedings thereof. The Secretary shall give, or cause to be given, notice of the meetings of the Board required by these bylaws or by law to be given, and he or she or she shall have such other powers and perform such other duties as may be prescribed by the Board and these bylaws. All or part of the above duties may

be delegated to staff of the Corporation, with ultimate responsibility remaining with the Secretary.

#### **SECTION 9. TREASURER**

The Treasurer shall make provision for the care and custody of all funds of the Corporation and shall make provision for the deposit of such funds as required and designated by the Board. The Treasurer shall also keep and maintain, or cause to be kept and maintained in accordance with generally accepted accounting principles, adequate and correct accounts of the properties and transactions of the Corporation, including accounts of its assets, liabilities, contributions, receipts and disbursements and gains or losses. The books of account shall at all reasonable times be open to inspection by any Director for any proper purpose at any reasonable time. The Treasurer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. He or she shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the President and Directors, whenever they request it, an account of all of his or her transactions and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board or these bylaws. All or part of the above duties may be delegated to staff of the Corporation with ultimate responsibility remaining with the Treasurer.

#### **SECTION 10. EXECUTIVE DIRECTOR**

The Board shall appoint an Executive Director who shall be employed by the Corporation.

- (a) Appointment. The Executive Director must meet the qualifications of the position as established by the Board. The Executive Director shall be under the general supervision of the Chairperson, but his or her duties shall be as directed by the Board and he or she shall report to the Board. The Executive Director shall hold office until he or she resigns or is removed by a majority vote of the Board or is otherwise disqualified to serve. In the event of a vacancy in such office, the vacancy may be filled temporarily by appointment by the Chairperson until such time as the Board shall fill the vacancy.
- (b) Responsibilities. The Executive Director shall, subject to the policies of the Corporation, be responsible for the day-to-day management and administration of the affairs, employees and resources of the Corporation. In doing so, the Executive Director's duties and responsibilities shall include but not limited to: (i) generally performing all duties incident to his or her office, those required by these bylaws, or as prescribed by the Board from time to time; (ii) implementing policies, programs and business plans as approved by the Board; (iii) employing, supervising, managing, controlling and discharging the employees of the Corporation; (iv) acting in the name of the Corporation to execute checks, fiscal documents, contracts and other instruments as authorized by the Board, except as otherwise expressly provided by these bylaws; and (v) prepare information for the Board in advance of meetings and attend all Board meetings.

- (c) **Compensation.** The salary and benefits of the Executive Director shall be set by the Board. In all cases, any salary received by the Executive Director shall be reasonable and given in return for services actually rendered to the Corporation and which relate to the performance of the public purposes of the Corporation.

## **SECTION 11. COMPENSATION OF CERTAIN OFFICERS**

In compliance with the Californian Nonprofit Integrity Act of 2004 (California Government Code Section 12586(g)), the Board, or an authorized committee of the Board, shall review and approve the compensation, including benefits, of the President (if compensated) or the chief executive officer (if one is appointed) and the treasurer (if compensated) to assure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees. If the Corporation is affiliated with other charitable corporation, the requirements of this Section 10 shall be satisfied if review and approval is obtained from the board, or an authorized committee of the board, of the charitable corporation that makes retention and compensation decisions regarding a particular individual.

## **ARTICLE 6 COMMITTEES**

### **SECTION 1. EXECUTIVE COMMITTEE**

The Board may appoint an Executive Committee and any other committees for such tenure and such purposes as the Board may from time to time determine. The Chairperson shall appoint the chairperson of each committee. The Executive Committee shall consist of officers of the corporation and other board members at the Board's discretion. Other committees of the Board shall be comprised of at least three (3) Directors, and may be delegated any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except:

- (a) the approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;
- (b) the filling of vacancies on the Board or on any committee;
- (c) the amendment or repeal of bylaws or the adoption of new bylaws;
- (d) the amendment or repeal or any resolution of the Board which by its express terms is not so amenable or repealable;
- (e) the appointment of other committees of the Board or the members thereof;

- (f) the approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law;
- (g) the fixing of compensation of the Directors for serving on the Board or on any committee; or
- (h) the expenditure of any of the Corporation's funds to support a nominee for Director after there are more people nominated for Director than can be elected.

The Chairperson shall be the chairperson of the Executive Committee. The Executive Committee shall have the power and duty to conduct such affairs of the Corporation and to exercise such powers as may be delegated to it by the Board at such times as the Board is not in session. The Executive Committee shall hold such meetings as shall be directed by the Board or called by the Chairperson at such times and places as may be convenient to conduct business. Each Executive Committee member shall have one vote (except any ex-officio member) and all matters shall be decided by a majority vote. A majority of the Executive Committee members shall constitute a quorum. No member of the Executive Committee may vote by proxy. All actions taken by the Executive Committee shall be reported to the Board.

The Board may at any time revoke or modify any or all of the authority so delegated to the Executive Committee, or increase or decrease, but not below three (3), the number of members, and fill vacancies therein from the members of the Board. The Executive Committee shall keep regular minutes of its proceedings, cause them to be filed with the records of the Corporation, and report its activities to the Board.

## **SECTION 2. NOMINATING COMMITTEE**

The Nominating Committee shall operate on a year-round basis giving consideration to persons suitable for membership on the Board and committees. It shall present a slate of nominees at the annual meeting of the Board and shall recommend nominees to the Board for any vacancy that may exist at any time.

## **SECTION 3. AUDIT COMMITTEE**

The Audit Committee, if required pursuant to Section 4 of Article 10, may include persons who are not members of the Board, but it shall not include any employees of the Corporation, the Chief Executive Officer (if any) or the Treasurer. The Audit Committee must be separate from any finance and/or budget committee that the Corporation may appoint and utilize at any time, although members such finance and/or budget Committee may serve on the Audit Committee, provided that (i) the chairperson of the Audit Committee may not be a member of any finance and/or budget committee; and (ii) members of the finance and/or budget committee may not constitute more than fifty percent (50%) of the membership of the Audit Committee. Members of the Audit Committee shall not receive any compensation from the Corporation in excess of the compensation, if any, received by members of the Board for service on the Board and shall not

have a material financial interest in any entity doing business with the Corporation. Subject to the supervision of the Board of Directors, the Audit Committee shall be responsible for:

- (a) Recommending to the Board the retention and termination of the Corporation's independent auditor;
- (b) Negotiating the independent auditor's compensation on the Board's behalf;
- (c) Conferring with the auditor to satisfy the Audit Committee that the financial affairs of the Corporation are in order;
- (d) Reviewing and determining whether to accept the audit prepared by the independent auditor; and
- (e) Approving the performance by the independent auditor of any nonaudit services to ensure that such services conform with the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States.

#### **SECTION 4. OTHER COMMITTEES, ADVISORY BOARD**

The Board may have such other committees as shall be appointed by the Board from time to time. The members of these committees, their tenure and duties shall be as determined by the Board.

The Board may appoint one (1) or more advisory boards, consisting of persons who are not employees, officers or Directors of the Corporation, for the purpose of advising the Board on various issues about which the members of the advisory Board are knowledgeable. The members of the advisory board(s) shall serve at the pleasure of the Board and have no vote on any issue before the Board.

#### **SECTION 5. MEETINGS AND ACTION OF COMMITTEES**

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

**ARTICLE 7**  
**CONFLICTS OF INTEREST POLICY**

**SECTION 1. PURPOSE**

The purpose of this conflicts of interest policy is to protect the Corporation's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations, including Section 5233 of the California Nonprofit Public Benefit Corporation Law.

**SECTION 2. DEFINITIONS**

- (a) **Interested Person.** An Interested Person is any director, officer, or member of a committee with board delegated powers that has a direct or indirect financial interest, as defined below. If a person is an Interested Person with respect to any entity related to the Corporation, he or she is an Interested Person with respect to all entities related to the Corporation.
- (b) **Financial Interest.** A person has a financial interest if the person has or has had within the previous twelve (12) months, directly or indirectly, through business, investment or family (i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; or (ii) a compensation arrangement of any type with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. Under Section 4, below, a person who has a financial interest may have a conflict of interest only if the Board or the appropriate committee decides that a conflict of interest exists.

**SECTION 3. DUTY TO DISCLOSE**

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the Directors and members of committees with Board delegated powers considering the proposed transaction or arrangement.

**SECTION 4. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person he or she shall leave the Board or committee meeting while the determination

of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

## **SECTION 5. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST**

- (a) an Interested Person may make a presentation at the Board or committee meeting but after such presentation, he or she shall leave the meeting during the discussion of and the vote on, the transaction or arrangement that results in the conflict of interest.
- (b) the Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) after exercising due diligence, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (d) if a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

## **SECTION 6. VIOLATION OF THE CONFLICTS OF INTEREST POLICY**

- (a) if the Board or committee has reasonable cause to believe that a Director has failed to disclose actual or possible conflicts of interest, it shall inform the Director of the basis for such belief and afford the Director an opportunity to explain the alleged failure to disclose.
- (b) if, after hearing the response of the Director and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the Director has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **SECTION 7. RECORDS OF PROCEEDINGS**

The minutes of the Board and all committees with Board-delegated powers shall contain: (i) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest and the nature of the financial interest; (ii) any action taken to determine whether a conflict of interest was present, and the Board's or

committee's decision as to whether a conflict of interest in fact existed; and (iii) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

## **SECTION 8. COMPENSATION**

- (a) any officer or Director who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that officer or Director's compensation.
- (b) a voting member of any committee who oversees compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (c) all individuals who receive compensation, directly or indirectly, from the Corporation, whether as employees or independent contractors, are precluded from membership on any committee who oversees compensation matters.

## **SECTION 9. ANNUAL STATEMENTS**

Each director, officer and member of a committee with Board-delegated powers shall annually sign a statement, which affirms that such person:

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

## **SECTION 10. PERIODIC REVIEWS**

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

- (a) whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining; and

- (b) whether partnership and joint venture arrangements and other contractual arrangements with private for-profit entities conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.

In conducting the periodic reviews provided for herein, the Corporation may, but need not, use outside experts or consultants. If such experts or consultants are used, such use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

## **ARTICLE 8 INDEMNIFICATION**

### **SECTION 1. DEFINITIONS**

For the purposes of this Article, "agent" means any person who is or was a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a 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 which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5(b) of this Article.

### **SECTION 2. INDEMNIFICATION IN ACTIONS BY THIRD PARTIES**

The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding, (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interest of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

### **SECTION 3. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION**

The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person is a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

- (a) in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- (b) of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval, or
- (c) of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

### **SECTION 4. INDEMNIFICATION AGAINST EXPENSES**

To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 2 or 3 of this Article or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

### **SECTION 5. REQUIRED DETERMINATIONS**

Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article, by:

- (a) a majority vote of a quorum consisting of Directors who are not parties to such proceeding; or

- (b) the court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

#### **SECTION 6. ADVANCE OF EXPENSES**

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

#### **SECTION 7. OTHER INDEMNIFICATION**

No provision made by the Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the articles of incorporation, bylaws, a resolution of the Board, an agreement or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

#### **SECTION 8. FORMS OF INDEMNIFICATION NOT PERMITTED**

No indemnification or advance shall be made under this Article, except as provided in Section 4 or Section 5(b), in any circumstances where it appears:

- (a) that it would be inconsistent with a provision of the articles of incorporation, these bylaws, 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 it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

#### **SECTION 9. NONAPPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFIT PLANS**

This Article does not apply to any proceeding against any trustee, investment manager or other fiduciary of any employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 1 of this Article. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

## **SECTION 10. INSURANCE**

The Corporation shall have 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 Article, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

## **ARTICLE 9 EXECUTION OF INSTRUMENTS, CHECKS, DEPOSITS AND GIFTS**

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

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize the Executive Director to enter into any contract or execute and deliver any instruments and such authority may be general or confined to specific instances. Subject to the provisions of applicable laws, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between the Corporation and any other person, when signed by any officer, shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board or the Executive Committee, and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

### **SECTION 2. CHECKS, DRAFTS**

All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Corporation and any and all securities owned or held by the Corporation requiring signature for the transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board or the Executive Committee.

### **SECTION 3. DEPOSITS**

All funds of the Corporation shall be deposited to the credit of the Corporation in established accounts in such banks, trust companies, or other depositories as the Board may select.

## **SECTION 4. GIFTS**

The Board of Directors and the Executive Director may accept on behalf of the Corporation any contribution, gift, bequest or devise for the charitable or public purposes of this Corporation. Notwithstanding, the Corporation may reject any donation that the Board determines would not further the purposes of the Corporation or the acceptance of which would impose an undue burden on the Corporation.

## **ARTICLE 10 CORPORATE RECORDS AND GENERAL PROVISIONS**

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

The Corporation shall keep at its principal office:

- (a) minutes of all meetings of Directors, committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.
- (b) adequate and correct books and records of account, including project budget reports and any other accounts of the Corporation.
- (c) a copy of the Corporation's bylaws as amended to date, which shall be open to inspection at all reasonable times during office hours.

### **SECTION 2. ANNUAL REPORT**

The Treasurer, with the assistance of the Executive Director, shall cause an annual report to be prepared and sent to each Director, including ex-officio directors, and officers of the Corporation, and such other persons as are designated by the Board no later than 120 days after the close of the Corporation's fiscal year. Such annual report shall be prepared in conformity with the requirements of the California Nonprofit Public Benefit Corporation Law now in effect and as it may hereafter be amended.

### **SECTION 3. FISCAL YEAR**

The fiscal year of the Corporation shall begin on the 1st day of January and end on the 31st day of December of each year.

### **SECTION 4. AUDITED FINANCIAL STATEMENTS**

As required under the California Nonprofit Integrity Act of 2004, audited financial statements of the Corporation shall comply with the following provisions:

(a) If, independent of the audit requirement set forth in subsection (b) below, the Corporation prepares financial statements that are audited by a certified public accountant, the audited financial statements shall be available for inspection by the California Attorney General and by members of the public no later than nine (9) months after the close of the fiscal year to which the statements relate. The Corporation shall make its annual audited financial statements available to the public in the same manner that is prescribed for IRS Form 990 by the latest revision of Section 6104(d) of the Internal Revenue Code and associated regulations.

(b) If, in any fiscal year the Corporation receives or accrues gross revenue of \$2,000,000 or more (exclusive of grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received), in compliance with Sections 12586(e)(1), 12586(e)(2) and 12586(f) of the California Government Code, the Corporation shall:

(1) Prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant ("CPA") in conformity with generally accepted auditing standards. The Corporation shall ensure that, for any nonaudit services performed by the CPA firm conducting the audit, the CPA firm and its individual auditors adhere to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States. The audited financial statements shall be available for inspection by the California Attorney General and by members of the public no later than nine (9) months after the close of the fiscal year to which the statements relate. The Corporation shall make its annual audited financial statements available to the public in the same manner that is prescribed for IRS Form 990 by the latest revision of Section 6104(d) of the Internal Revenue Code and associated regulations.

(2) Have an Audit Committee appointed by the Board of Directors.

## **SECTION 5. PUBLIC INSPECTION OF DOCUMENTS**

The Corporation shall comply with the provisions of Section 6104 of the Internal Revenue Code and Section 301.6104(d) et. seq. of the Internal Revenue Regulations to provide copies of the following documents to members of the public who make a request for public inspection of documents:

(a) The Corporation's Application for Recognition of Exemption (Form 1023) filed with the Internal Revenue Service ("IRS");

- (b) All documents submitted to the IRS in support of such Application;
- (c) All documents issued by the IRS with respect to the Application; and
- (d) All annual returns (e.g., Form 990, 990PF or 990EZ) filed with the IRS for the last three (3) accounting years preceding the request.

## **SECTION 6. CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these bylaws. If any sections of the California Nonprofit Corporation Law or the California Nonprofit Public Benefit Corporation Law specifically referred to in these bylaws are subsequently reorganized or renumbered, these bylaws shall be interpreted to refer to the reorganized or renumbered sections. In the event that anything contained within these bylaws, including any delegation of authority or description of procedures, conflicts with the articles of incorporation or applicable law, including the California Nonprofit Corporation Law or the California Nonprofit Public Benefit Corporation Law, the articles of incorporation to the extent not consistent with such laws, and then such laws, shall govern.

## **ARTICLE 11 AMENDMENT OF BYLAWS**

### **SECTION 1. AMENDMENT**

These bylaws, or any part thereof, may be amended or repealed and new bylaws may be adopted only by a two-thirds (2/3) vote of the Directors then in office.

## **ARTICLE 12 ENDOWMENT FUND**

### **SECTION 1. RECEIPT OF FUNDS**

The Corporation may receive donations earmarked for an endowment fund ("Fund") from any source in cash or in other property acceptable to the Board, provided the terms and conditions of such donations, if any, are consistent with the purposes and powers of the Corporation as set forth in the articles of incorporation and these bylaws. All donations so received together with the income therefrom shall be held, managed, administered, and paid out in accordance with any terms and conditions with respect thereto. Unless otherwise specifically required, the Corporation may co-mingle such restricted donations with other assets of the Fund. The Corporation may reject any restricted donation if the Board determines that the restrictions are incompatible with the purposes of the Fund and/or the Corporation.

## **SECTION 2. RECORDS**

The Corporation shall keep a complete record of the source of all gifts made to the Fund and may take such steps as the Board deems appropriate to recognize and commemorate each such gift, to the end that the memory of the gift and of the donor shall be appropriately preserved.

## **SECTION 3. DISBURSEMENTS**

The Corporation shall make disbursements from the Fund or the income therefrom at such time and in such a manner and in such amounts as the Board may in its discretion determine for the Corporation or its related activities. Notwithstanding, the Board shall be mindful of any terms, conditions and restrictions associated with assets in the Fund and shall not make any disbursement from the Fund which would violate any such terms, conditions and restrictions.

# **ARTICLE 13**

## **DEDICATION OF ASSETS AND PROHIBITED ACTIVITIES**

### **SECTION 1. DEDICATION AND USE OF ASSETS**

The assets of this Corporation are irrevocably dedicated to charitable and educational purposes. The property of the Corporation must be used exclusively for charitable and educational purposes meeting the requirements of Section 214 of the California Revenue and Taxation Code. During the existence of this Corporation, the assets and property of the Corporation including all personal property and real property wherever situated shall be held, used and applied exclusively to promote and further the charitable purposes and objectives of this Corporation as set forth in its articles of incorporation.

### **SECTION 2. PRIVATE INUREMENT**

No part of the net income or assets of this Corporation shall inure to the benefit of any of its Directors or officers or to any private persons, except that this Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purpose. No Director or officer of the Corporation or any private person whatsoever shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation. The property of the Corporation shall not be used or operated so as to benefit any Trustee, officer, employee, contributor, or any other person, through the distribution of profits, payment of excessive charges or compensation, or the more advantageous pursuit of their business or profession to the exclusion of other qualified persons.

### **SECTION 3. PROHIBITED ACTIVITIES**

Notwithstanding any other provision of these bylaws, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes and this Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under Section 501(c)(3) of the

Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

#### **SECTION 4. POLITICAL ACTIVITIES**

No substantial part of the Corporation's activities shall be devoted to the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

### **ARTICLE 14 DISSOLUTION OF THE CORPORATION**

#### **SECTION 1. DISTRIBUTION OF ASSETS**

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of this corporation, the remaining assets shall be distributed to such one or more nonprofit funds, foundations, or corporations which are organized and operated exclusively for charitable and educational purposes and which have established their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

**CERTIFICATE OF ADOPTION OF AMENDED AND RESTATED BYLAWS**

The undersigned hereby certifies that she is the duly appointed and acting Secretary of CALIFORNIA CENTER FOR SUSTAINABLE ENERGY, and that the foregoing bylaws, consisting of 27 pages (exclusive of this page, the cover sheet and the table of contents) were duly amended and adopted as of October 10, 2007, and that they constitute the corporate bylaws of CALIFORNIA CENTER FOR SUSTAINABLE ENERGY as amended and in effect as of that date.

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Karen Hutchens, Secretary

