

BYLAWS

Of

Crossroads Diversified Services, Inc.

As Amended June 30, 2011

ARTICLE I NAME AND PRINCIPAL OFFICE

Section 1.

The name of the organization shall be Crossroads Diversified Services, Incorporated.

Section 2.

The principal office for the transaction of business of the Corporation is hereby fixed and located at, 9300 Tech Center Drive, Suite 100, County of Sacramento, and State of California. The Board of Directors may at any time or from time-to-time change the location of the principal office from one location to another in said County.

ARTICLE II PURPOSE

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It elects to be organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

The specific purposes of this corporation shall be to: (a) design, develop, operate and manage programs and services which provide persons with disabilities, displaced workers and the socially and economically disadvantaged with opportunities to attain their employment, educational, social and personal goals; (b) engage in activities as a means to provide employment opportunities to persons with disabilities, displaced workers and the socially and economically disadvantaged, and otherwise enable the corporation to carry out the purposes described in (a); and (c) carry on other charitable activities associated with these purposes, as permitted by law.

The general purposes of this corporation shall be to have and exercise all rights and powers conferred on nonprofit corporations under the laws of California, including the power to contract, rent, buy or sell personal or real property, and to engage in any lawful activity necessary, incidental, or conducive to the attainment of the purposes described above, or which may be carried on or done in connection therewith.

ARTICLE III MEMBERSHIP

The members of the Corporation shall consist solely of duly elected members of the Board of Directors.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Powers

Subject to the limitation of the Articles of Incorporation, of the Bylaws and of the laws of the State of California, all corporate powers shall be exercised by or under authority of, and the business affairs of this Corporation shall be controlled by a Board of Directors.

Section 2. Number

The number of directors shall be not less than five (5) and not more than fifteen (15).

Section 3. Composition

The Board of Directors shall be composed, except in the case of the President/CEO, of independent, directors committed to furthering the purposes of this Corporation. An independent director is someone whose only nontrivial professional, familial, or financial connection to the corporation, its President/CEO, or any other employee of the corporation is his or her directorship. The Board shall include at least one member who is a person with a disability. A person with a disability who is a member of the Board shall not be a **current** recipient of Crossroads' services.

Section 4. Selection of Directors

- a. The Governance/Nominating Committee shall present a list of nominees for each Directorship to the Board of Directors at least five (5) days before the Annual Meeting. Consent will be obtained from the nominees before placing their names on the ballot.
- b. The Chairperson shall accept nominations for directors of the Corporation from the floor at the Annual Meeting.
- c. All Board members shall be encouraged to submit names of nominees upon receiving consent of the nominees.
- d. All additions to the list of nominees shall have a place on the ballot.
- e. Directors shall be elected by the Board of Directors at the Annual Meeting.

Section 5. Duties of Directors

It shall be the duty of the Board of Directors to direct and monitor the affairs of the Corporation in furtherance of its purpose, recruit, nominate and approve new Directors, and represent the interests of the organization's stakeholders. Each director also assumes the following duties and obligations to the Corporation:

- a. to act honestly in the best interests of Crossroads;
- b. to use care and diligence in performing the functions of a Director of Crossroads;
- c. to have skills relevant to the office of Director of Crossroads and use them in pursuance of Crossroads' objectives;
- d. to use the office of Director only for proper purposes;
- e. not to make improper use of information gained in the position of Director;
- f. to avoid conflict of interest;
- g. to use independent judgment;
- h. to ensure that confidential information is kept confidential to Crossroads;
- i. not to engage in conduct to bring Crossroads into disrepute;
- j. to attend and participate in Board meetings;
- k. to make reasonable enquires to ensure Crossroads is operating efficiently, effectively and legally toward achieving its goals;
- l. to undertake diligent analysis of all proposals placed before the Board;
- m. to actively participate in at least one standing or ad hoc committee of the Board.

Failure to carry out these duties may be cause for removal from the Board.

Section 6. Terms

- a. Directors' terms shall be for three (3) years from the Annual Meeting.
- b. The term of any Director shall expire at the Annual meeting of the last year of the Director's term.

- c. Leaves of absence may be granted to a Director by the Chair for a period not to exceed one year

Section 7. Vacancies

- a. Every effort will be made to fill vacancies in directorships within sixty (60) days of the next regular Board meeting following announcement of vacancy.
- b. A Director appointed to fill a vacancy shall serve for the un-expired term of the predecessor in office.
- c. A vacancy or vacancies shall be deemed to exist in the case of death, resignation or removal of any director.
- d. Vacancies shall be filled by a majority vote of the Board.

Section 8. Removal of Directors

A Director may be removed for cause by a vote of two-thirds (2/3) of the Board of Directors at a meeting duly called and noticed for that purpose as provided by these Bylaws provided, however, that the notice of meeting must specify the name of the Director whose removal will be sought and must specify the grounds on which the removal will be based. Discussion on the motion shall take place in Executive Session unless the Director affected requests an open meeting.

Section 9. Place of Meeting

Meetings of the Board of Directors shall be held at any place designated from time to time by consent of the Board. In the absence of such designation, meetings shall be held at the principal office of the Corporation.

Section 10. Annual Meeting

- a. The Directors shall hold an Annual Meeting in June of each year for electing Directors and Officers to the Board. Duly elected Directors shall begin their terms immediately upon election to the Board. Duly elected Officers shall begin their terms in July.
- b. At this meeting, the Board shall also organize itself to conduct business for the ensuing year, which shall include the election of officers and any business matters as the Directors deem appropriate. The outgoing Chairperson shall preside until the election of a successor. In the event the outgoing Chairperson is no longer a Director, the Board may appoint a temporary Chairperson to preside at the Annual Meeting.

Section 11. Other Regular Meetings; Notices

- a. Regular meetings of the Board of Directors may be held at some time or times as designated by the Board of Directors.
- b. The Secretary of the Corporation, or other person designated by the Chairperson, shall deliver written or printed notice of the time and place of regular meetings of the Board and an agenda therefore to each Director personally by United States mail, facsimile, electronic (Email) or express mail at least five (5) days prior to the date of the meeting. Notices shall be deemed to be delivered on their deposit in the United States mail or express mail company, or on the date electronically stamped for facsimile or electronic (Email) mail. Such notices shall be addressed as set forth in Section 12.

Section 12. Special Meetings

- a. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairperson or, if the Chairperson is absent or unable or refuses to act, by the Vice-Chairperson or one-third (1/3) of the Directors.
- b. At least twenty-four (24) hours written notice of the time, place, and purpose of special meetings shall be delivered personally to the Directors, or sent so as to be delivered twenty-four (24) hours before the meeting to each Director at the address as it is shown upon the records of the Corporation, or if it is not so shown on the records or is not readily

ascertainable, at the place in which the meetings of the Directors are regularly held. Such delivery as provided for in Section 11.b. above shall constitute personal notice to such Director.

Section 13. Waiver of Notice

The transactions at any Directors' meeting at which a quorum is present, however called or noticed, are valid as if taken at a meeting regularly called and noticed and if all Directors agree to a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which waiver shall be filed with the Minutes of the Board.

Section 14. Conduct of Meetings

- a. Except as otherwise expressly provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chairperson shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors at such meeting may adjourn to a time certain or until the time fixed for the next regular meeting of the Board.
- b. All meetings of Directors 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 or in conflict with these Bylaws, with the Articles of Incorporation of this Corporation, or with law.
- c. Meetings of Directors shall be presided over by the Chairperson of the Corporation, or in the Chairperson's absence, by the Vice-Chairperson or in the absence of both, by a Chairperson chosen by majority of the Directors present. The Secretary of the Corporation shall act as Secretary of the Board of Directors. In case the Secretary is absent from any meeting of the Directors, the presiding officer may appoint any Director to act as Secretary for that meeting.

Section 15. Quorum and Voting

- a. A quorum shall consist of one more than one-half of the Directors, not counting ex-officio Directors.
- b. There shall be one vote per Director.
- c. Voting by written proxy shall be permitted. A proxy vote must be received in the administrative office prior to the call to order of a Board or committee meeting.
- d. Every act or decision done or made by a majority of the Directors present at the meeting duly held at which a quorum is present is the act of the Board of Directors, unless the law, the Articles of Incorporation of this Corporation or these Bylaws require a greater number.
- e. Role Call Votes: Upon request of a Director, prior to the vote, a roll call vote shall be taken and recorded.
- f. Presiding Officer: The presiding officer shall cast a vote in all matters voted upon by the Board of Directors.
- g. In the election of Officers when there is more than one candidate for the same position, the method of voting shall be by secret ballot.

Section 16. Action Without A Meeting

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such 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 such Director. Any certificate or other documents filed under any provisions of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting, and that the Articles of Incorporation and Bylaws of this Corporation authorize the Directors to so act, and such a statement shall be prima facie evidence of such authority.

Section 17. Conflict of Interest

No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that directors financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the board prior to the board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the board by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction, the board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into.

This section does not apply to a transaction that is part of an educational or charitable program of this corporation if it (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

Annually, each Director shall certify, in writing, whether he/she has, or suspects he/she has, a material financial interest, either directly or indirectly, in any contract or transaction of this Corporation.

Section 18. Code of Conduct

Directors and Officers of the Corporation shall provide effective and ethical governance on behalf of its stakeholders to ensure the Corporation focuses on its mission and outcomes, resulting in the Corporation's stability and long-term success. To this end, Directors and Officers:

- a. Acknowledge the Corporation's *Corporate Ethics Policy*,
- b. Commit to observing a high standard of ethics and conduct,
- c. Will devote their best efforts to the interests of the Corporation and its stakeholders.
- d. Will perform their duties as an Officer and Director in such a manner that stakeholder confidence and trust in the integrity, objectivity and impartiality of Crossroads Diversified Services, Inc., are conserved and enhanced.

To signify acceptance of, and commitment to this Policy, each Officer and Director will, annually, sign the *Corporate Ethics Policy*, and such signature will be filed with the Corporation's Book of Minutes.

The Governance Committee of the Board of Directors shall have responsibility to ensure adherence to this Policy.

Section 19. Attendance at Board Meetings

- a. A record of Director attendance at all meetings shall be established and maintained.
- b. Failure to attend seventy-five percent (75%) of regularly scheduled Board of Directors' meetings may constitute cause for removal from the Board.
- c. An excused absence from a regular Board of Directors meeting shall be a written or telephone excuse delivered to the Administrative office of the Corporation prior to the meeting specifying the reason for such absence.
- d. No action of the Board of Directors, otherwise valid, shall be invalid due to a failure to comply with this Section.
- e. The Board may waive any provisions of this section at its discretion.

Section 20. Non-Liability of Directors

Directors shall not be personally liable for the debts, liabilities or other obligations of the Corporation and the Corporation shall defend, indemnify and hold them harmless from any claim or cause of action to the extent permitted by law.

Section 21. Delegation of Duties

The Board of Directors shall have the power to delegate to the President/CEO, or other employees or agents of the Corporation as from time to time deemed desirable, any duties imposed on them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws, except the duty of adopting, amending, or repealing these Bylaws.

Section 22. Ex-Officio Members of the Board

- a. The Corporation's President/CEO shall be an ex-officio member of the Board of Directors without the right to vote upon matters before the Board.
- b. Other ex-officio members of the Board of Directors may be appointed from time to time by the Board for a specified term. Such members shall generally be accorded all privileges of Board or Directors membership including the right to vote, but may, at the discretion of the Board of Directors, be excluded from Executive sessions.
- c. Ex-officio members of the Board of Directors shall generally be accorded all privileges of Board membership, but may, at the discretion of the Board, be denied the right to vote and be excluded from any Executive sessions.

ARTICLE V OFFICERS

Section 1. Number and Titles

- a. The Officers of the Corporation shall be a Chairperson, a Vice-Chairperson, a Treasurer and a Secretary.
- b. Each Officer may hold only one office.

Section 2. Qualifications

Only members of the Board of Directors are qualified to be an Officer of the Corporation.

Section 3. Nominations

- a. Nominations for Officers of the Corporation shall be accepted by the Chairperson at the Annual Meeting.
- b. All Board members shall be encouraged to submit to the Governance/Nominating Committee names of nominees upon receiving consent of the nominees.
- c. All additions to the list of nominees shall have a place on the ballot.

Section 4. Election, Terms of Office

- a. All Officers of the Corporation, other than those appointed pursuant to Section 7 of this Article, shall be elected by the Directors at the Annual Meeting.
- b. A term as Officer is defined as two (2) years.
- c. Each Officer shall hold office for one term (two (2) years), and if re-elected by a majority of the Board, may serve one (1) additional term (four (4) years total).
- d. All ballots shall be publicly counted and results for each candidate publicized.

- e. The candidate chosen shall be the person receiving the majority of votes in the secret ballot.
- f. Re-voting in the case of a tie shall also be done by secret ballot.
- g. If there is not an absolute majority, there will be re-voting of the top two candidates for an office.

Section 5. Subordinate Officers

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers or agents shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

Section 6. Removal and Resignation

- a. Any Officer may be removed, with cause, by two-thirds (2/3) of the Directors at the time in office, at any regular or special meetings of the board, and such Officer shall be removed should the Officer cease to be qualified for the office as herein required.
- b. Any Officer may resign at any time by giving written notice to the Board of Directors, or the Chairperson or Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice, or at any later time specified therein, if agreeable to a majority of the Board and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any Officer shall be filled by the Board of Directors for the unexpired portion of the term within sixty (60) days of the vacancy, if possible. Such unexpired portion shall not be considered as part of the term specified in Section IV. In the event of a vacancy in any office other than that of the Chairperson, such vacancy may be filled temporarily by appointment by the Chairperson until such time as the Board shall fill the vacancy. Vacancies occurring in an office or office appointed at the discretion of the Board pursuant to Section 5 above may or may not be filled, as the Board shall determine.

Section 8. Chairperson

- a. The Chairperson shall perform all duties incident to the office that are not the responsibility of the President/CEO, and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors.
- b. The Chairperson shall preside at all meetings of the Board of Directors.
- c. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, the Chairperson shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments of the Corporation which may from time to time be authorized by the Board of Directors.
- d. The Chairperson shall also be an ex-officio member of all standing Committees of the Corporation, not including the Executive Committee.
- e. The Chairperson shall, when feasible, be required to have a parliamentarian available at all meetings. The parliamentarian may be a member of the Board, an employee of the Corporation, or any qualified individual from the community.
- f. The Chairperson shall serve as Chair of the Executive Committee.

Section 9. Vice-Chairperson

- a. In the absence of the Chairperson, or in the event of the Chairperson's inability or refusal to act, the Vice-Chairperson shall perform all the duties of the Chairperson and, when so acting, shall have all the powers of, and be subject to all the restrictions, on the Chairperson.
- b. The Vice-Chairperson shall have such other powers and perform such other duties as may be prescribed by law, the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.
- c. Unless determined otherwise by a refusal of the currently sitting Vice-Chair or by a vote of the Board, the Vice-Chair will be nominated for the position of Chair.

Section 10. Secretary

- a. Certify and keep at the principal office of the Corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date.
- b. Keep at the principal office of the Corporation or at such other place as the Board of Directors may order, a book of minutes of all meetings of the Directors, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, notice thereof given, the name of those present at the meetings and the proceedings thereof.
- c. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- d. Be custodian of the records and of the seal of the Corporation and see that the seal is affixed to all duly executed documents as required or deemed desirable, the execution of which on behalf of the Corporation under its seal is authorized by law or by these Bylaws.
- e. Exhibit at all reasonable times to any Director of the Corporation, or Director's attorney on request thereof, the Bylaws and the minutes of the proceedings of the Directors of the Corporation.
- f. In general, perform all duties incident to the Office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be assigned to the Secretary from time to time by the Board of Directors.
- g. The Secretary will review minutes prepared by the recorder and sign the minutes.
- h. The Secretary will maintain a record of attendance of all Board members at all regular and special meetings of the Board.

Section 11. Treasurer

The Treasurer shall:

- a. Be charged with the receipt, custody, and disbursement of all funds and securities of the Corporation and the maintenance of adequate and correct accounts of the Corporation's business transactions.
- b. Exhibit at all reasonable times the books of accounts and financial records to any Director of the Corporation, or to any Director's attorney, on request thereof.
- c. Render to the Chairperson and Directors as required, an account of any or all transactions as Treasurer and of the financial condition of the Corporation.
- d. If required by the Board of Directors, give a bond for the faithful discharge of the duties of the office in such sum and with such surety or sureties as the Board of Directors shall determine.
- e. Prepare and submit to the Board quarterly reports on the financial activities of the Corporation and such other regular reports as the Board may determine.

- f. May delegate any or all duties to the Corporation's Chief Financial Officer (except g. below).
- g. Review monthly all non-recurring expenditures at or above fifteen thousand dollars (\$15,000.00).
- h. Serve as the Chair of the Finance Committee.

Section 12. President/ CEO

The Board of Directors shall employ a President/Chief Executive Officer (who shall be known as the President/CEO) whose duties shall be to supervise and administer the affairs of the Corporation. The President/CEO shall report to, and be responsible directly to, the Board of Directors. The President/CEO shall be responsible for hiring and terminating all other employees of the Corporation and shall be responsible for carrying out all policies as set forth by the Board.

The Corporation's President/CEO shall be an ex-officio member of the Board of Directors without the right to vote upon matters before the Board of Directors, Committees and Task Forces.

The President/CEO serves at the pleasure and discretion of the Board, and will be evaluated annually by the Board of Directors with an instrument developed by the Board of Directors.

ARTICLE VI COMMITTEES AND TASK FORCES

Section 1. General (Composition, Terms and Authority)

- a. The Corporation shall have such standing committees, advisory committees or task forces as shall, in the opinion of the Board, be necessary to the proper functioning of the Corporation.
- b. With the exception of the Executive Committee, all standing committees shall have not less than three (3) and not more than seven (7) voting members.
- c. All committees and task forces, with the exception of the Executive Committee, may be composed in part of persons who are not members of the Board as the Board may from time to time determine. In all cases, the Chair of each standing committee shall be a member of the Board of Directors. Chairpersons of task forces, advisory committees and working groups need not be members of the Board.
- d. Members of such committees, task forces and working groups shall be nominated by the committee Chair and ratified by the Board.
- e. The term of the Chair and members of the standing committees shall end with the election of a new Chairperson of the Board of Directors.

Section 2. Executive Committee

- a. The Executive Committee shall consist of the four (4) elected officers.
- b. The Chairperson of the Board shall be the Chair of the Executive Committee.
- c. The President/CEO must submit the minutes of each meeting held by the Executive Committee to the full Board of Directors of the Corporation at the next meeting of the Board of Directors.
- d. A majority of the members of the Executive Committee shall constitute a quorum.
- e. Operations
The Committee meets as the Committee or its Chair deems advisable. The Committee will keep adequate minutes of its proceedings, and will report on its actions and activities at the next quarterly meeting of the Board. Committee members will be furnished copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is

governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of the Bylaws of the Corporation, or (b) the laws of the State of California.

f. Authority

The Board of Directors may delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except the power to adopt, amend, or repeal the Bylaws, provided that the designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or such Director by law, by the Articles of Incorporation of this Corporation, or the Bylaws. By a majority vote of its members, the Board may at any time modify or revoke any or all of the authority so delegated, increase or decrease, but not below four (4), the number of its members, and fill vacancies therein from the members of the Board. The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has authority to retain outside counsel, any search firm used to identify director candidates, or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Corporation and the Committee will take all necessary steps to preserve the privileged nature of those communications. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee. Any action taken pursuant to this section shall be reported to the full Board at the next regularly scheduled meeting.

Section 3. Finance Committee

The Finance Committee shall have responsibility for advising and making recommendations to the Board of Directors, and implementing Board policy, in the financial management and development of the Corporation, and for reviewing and guiding accounting and audit practices of the Corporation.

Specific duties of the Committee shall include:

- a. Recommend an annual budget for Board approval.
- b. Assure adequate audit and accounting practices.
- c. Recommend and monitor Corporation investments.
- d. Report quarterly (or as often as directed) to the Board of Directors on the financial performance of the Corporation.
- e. Present resource requirements to the Board.

f. Operations

The Committee meets as the Committee or its Chair deems advisable. The Committee will keep adequate minutes of its proceedings, and will report on its actions and activities at the next quarterly meeting of the Board. Committee members will be furnished copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of the Bylaws of the Corporation, or (b) the laws of the State of California.

g. Authority

The Board of Directors may delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except the power to adopt, amend, or repeal the Bylaws, provided that the designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or such Director by law, by the Articles of Incorporation of this Corporation, or the Bylaws. By a majority vote of its members, the Board may at any time modify or revoke any or all of the authority so delegated, increase or decrease, but not below four (4), the number of its members, and fill vacancies therein from the members of the Board. The Committee will have the resources and authority necessary to discharge its

duties and responsibilities. The Committee has authority to retain outside counsel, any search firm used to identify director candidates, or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Corporation and the Committee will take all necessary steps to preserve the privileged nature of those communications. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee. Any action taken pursuant to this section shall be reported to the full Board at the next regularly scheduled meeting.

Section 4. Governance/Nominating Committee

The Governance/Nominating Committee shall be responsible for recommending policies for the direction and control of the Corporation; for specifying the rights and responsibilities among different participants in the Corporation including the Board, management and other stakeholders; for recommending the rules and procedures for making decisions on Corporate affairs and for evaluating the effectiveness of the Board of Directors.

- a. The Governance/Nominating Committee shall have the powers and duties as specified from time to time by the Board of Directors.
- b. Duties of the Governance/Nominating Committee shall include, but not be limited to;
 - (1) Annually evaluate the Bylaws, and governing policies and documents of the organization, for adherence to legal requirements, best corporate governance practices and effectiveness in directing and controlling the affairs of the Corporation, and recommend to the Board of Directors needed or desired revisions to the Bylaws, policies and/or documents.
 - (2) Annually evaluate the performance of the Board against the requirements of the Bylaws and its effectiveness in promoting the mission of the Corporation.
 - (3) Recruit, nominate and orient new Directors.
 - (4) Assure racial, gender and cultural diversification of the Board.
 - (5) Recommend the types and functions of Board committees.
 - (6) Recommend committee assignments of Directors
 - (7) Annually review the Executive Leadership Succession Plan.
 - (8) Design and implement an on-going program of Board information, education and team building.
 - (9) Ensure adherence to the Corporations ethics policies and annually obtain signed *Code of Conduct* and *Conflict of Interest* statements from each Officer and Director.
- c. **Operations**

The Committee meets as the Committee or its Chair deems advisable. The Committee will keep adequate minutes of its proceedings, and will report on its actions and activities at the next quarterly meeting of the Board. Committee members will be furnished copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of the Bylaws of the Corporation, or (b) the laws of the State of California.
- d. **Authority**

The Board of Directors may delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except the power to adopt, amend, or repeal the Bylaws, provided that the designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or such Director by law, by the Articles of Incorporation of this Corporation, or the Bylaws. By a majority vote of its members, the Board may at any time modify or revoke any or all of the authority so delegated, increase or decrease, but not below four (4), the number of its members, and fill vacancies therein from the members of the Board. The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has authority to retain outside counsel, any search firm used to identify director

candidates, or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Corporation and the Committee will take all necessary steps to preserve the privileged nature of those communications. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee. Any action taken pursuant to this section shall be reported to the full Board at the next regularly scheduled meeting.

Section 5. Audit Committee

The Audit Committee shall consist of not less than three (3) and not more than five (5) members appointed by the Board of Directors, except that the Corporation's President/CEO Treasurer or any members of the Corporation's staff may not be members of this committee. Members of the Board's Finance Committee may serve on the Audit Committee, however the Chairperson of the Audit Committee may not be a member of the Board's Finance Committee, and members of the Finance Committee shall constitute less than one-half (1/2) 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 of Directors for services on the Board and shall not have a material financial interest in any entity doing business with the Corporation.

a. Duties of the Audit Committee shall include, but no be limited to:

- (1) Recommend to the Board of Directors the retention of an independent auditor to perform the Corporation's annual audit.
- (2) Negotiate the independent auditors' compensation on behalf of the Board.
- (3) Confer with the auditor to satisfy its members that the financial affairs of the Corporation are in order.
- (4) Review and determine whether to accept the audit.
- (5) Assure that any non-audit services performed by the auditing firm conform to standards for auditor independence
- (6) Approve performance of non-audit services by the auditing firm.
- (7) Recommend the accepted audit to the Board of Directors for its approval.

b. Operations

The Committee meets as the Committee or its Chair deems advisable. The Committee will keep adequate minutes of its proceedings, and will report on its actions and activities at the next quarterly meeting of the Board. Committee members will be furnished copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of the Bylaws of the Corporation, or (b) the laws of the State of California.

c. Authority

The Board of Directors may delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except the power to adopt, amend, or repeal the Bylaws, provided that the designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or such Director by law, by the Articles of Incorporation of this Corporation, or the Bylaws. By a majority vote of its members, the Board may at any time modify or revoke any or all of the authority so delegated, increase or decrease, but not below four (4), the number of its members, and fill vacancies therein from the members of the Board. The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has authority to retain outside counsel, any search firm used to identify director candidates, or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Corporation and the Committee will take all necessary steps to preserve the privileged nature of those communications. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee. Any action taken pursuant to this section shall be reported to the full Board at the next regularly scheduled meeting.

Section 6. Ad Hoc and Advisory Committees and Working Groups

Ad Hoc and Advisory Committees and Working Groups may be appointed for a specific purpose and with specific duties. The purpose, duties and length of assignment shall be set forth in a written charge as approved by the Board. Ad Hoc and Advisory Committees and Working Groups may develop their own working standards as long as they do not conflict with the organization's Bylaws or Articles of Incorporation. Minutes and/or written transactions of such groups shall be maintained and filed with the minutes of the Board of Directors.

ARTICLE VII FISCAL AFFAIRS (EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS)

Section 1. Fiscal Year

The fiscal year of the Corporation shall be from July 1 through June 30 of each year.

Section 2. Execution of Instruments

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution, authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instance. Unless so authorized, 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 render it liable for any purpose or in any amount.

Section 3. Checks and Notes (Signatures)

- a. Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, all checks, drafts, and orders for payment of money shall require one (1) signature.
- b. For the purposes of (a) above, any one (1) of the following signatures may be used (in order of preference): President/CEO, Treasurer or Chairperson.
- c. The Board of Directors may (from time to time) designate more than one (1) signature on all evidence of indebtedness.

Section 4. Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, savings and loan associations, or other depositories as the Board of Directors may select.

Section 5. Audit

The Board of Directors shall annually cause an audit to be conducted of the books and accounts of the Corporation by an independent firm of certified public accountants. Such audit shall summarize the Corporation's activities for the preceding year and shall include the audited financial statements as of the close of business of the Corporation's fiscal year.

ARTICLE VIII CORPORATE RECORDS AND REPORTS

Section 1. Minutes of Meetings

- a. The Corporation shall keep at its principal office or at such other place as the Board of Directors may order, a book of minutes of all meetings of Directors with the time and place of holding, whether regular or special, or if special, how authorized, the notice given, the names of those present and the proceedings thereof.
- b. The Corporation shall keep at its principal office a minute book and an attendance register of all committees and Working Group meetings with the time and place of holding, the appointed Chair and members, specific duties and purpose and terms of existence set forth in written charge.

