

AMENDED AND RESTATED BYLAWS

of

**CALIFORNIA STORMWATER
QUALITY ASSOCIATION**

July 21, 2008



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**BYLAWS
OF
CALIFORNIA STORMWATER QUALITY ASSOCIATION,
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

**ARTICLE I
ORGANIZATION**

Section 1.01 **Name.** The name of this Corporation is CALIFORNIA STORMWATER QUALITY ASSOCIATION.

Section 1.02 **Purposes and Limitations.** This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law of California for charitable and educational purposes. The specific purpose of this Corporation is to assist those entities charged with stormwater quality management responsibilities with the development and implementation of stormwater quality goals and programs. This Corporation shall pursue this purpose through any and all means consistent with its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law) including, without exception, various educational, technical and scientific initiatives.

This Corporation is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law).

Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities, or exercise any powers that are not in furtherance of the specific and primary purposes of this Corporation and this Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law); or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law).

Section 1.03 **Dedication of Assets.** The property of this Corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private person. Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax

exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law), and which is qualified for exemption from taxation under Section 23701d of the California Revenue and Taxation Code (or the corresponding provision of any future California Revenue and Tax Law).

ARTICLE II OFFICES

Section 2.01 **Principal Office.** The principal office for the transaction of the activities and affairs of the Corporation ("principal executive office") is fixed and located at PO Box 2105, Menlo Park, California 94026. The Board of Directors may change the principal executive office from one location to another. Any change of this location shall be noted by the Secretary of the Corporation on these Bylaws opposite this section, or this section may be amended to state the new location.

Section 2.02 **Other Offices.** The Board of Directors may at any time establish branch or subordinate offices at any place or places, within or without the State of California, where the Corporation is qualified to conduct its activities.

ARTICLE III MEMBERSHIP

Section 3.01 **Qualifications and Classes of Membership.** This Corporation shall have two (2) classes of members, designated as regular members, and affiliate members. Any person or entity dedicated to the purposes and activities of this Corporation, and satisfying the requirements for membership set forth in these Bylaws, shall be eligible for membership on approval of the membership application by the Board of Directors and on timely payment of such dues and fees as the Board of Directors may fix from time to time.

(a) **Regular Member.** Any entity subject to permitting under a stormwater NPDES permit (MS4, Industrial, Construction Permittee or Co-Permittee, or a stormwater NPDES permitted County on behalf of itself and all permitted MS4's within such County) is eligible to become a regular member. Regular members shall be voting members of this Corporation.

(b) **Affiliate Member.** Any interested non-public entity (consulting firm, trade association, individual, etc.) not eligible for regular membership is eligible to become an affiliate member. Affiliate members shall be non-voting members of this Corporation.

Section 3.02 **Rights of Membership.** All regular members shall have the right to vote, as set forth in these Bylaws, on the election of directors, on the disposition of all or substantially all of the Corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law.

Section 3.03 **Other Persons Associated With Corporation.** This Corporation may refer to persons or entities as affiliate members or other persons or entities associated with it as "members," even though those persons or entities are not voting members as set forth in Section 3.01 of these Bylaws, but no such reference shall constitute anyone as a member within the meaning of Corporations Code Section 5056 unless that person or entity shall have qualified for a voting membership under Section 3.01 of these Bylaws. Except as otherwise noted, references in these Bylaws to "members" shall mean members as defined in Corporations Code Section 5056. By amendment of its articles of incorporation or of these Bylaws, the Corporation may grant some or all of the rights of a member of any class to any person or entity that does not have the right to vote on the matters specified in Section 3.01 of these Bylaws, but no such person or entity shall be a member within the meaning of Corporations Code Section 5056.

Section 3.04 **Members' Dues, Fees, and Assessments.** Each member must pay, within the time and on the conditions set by the Board of Directors, the dues, fees, and assessments in amounts to be fixed from time-to-time by the Board of Directors, including, without exception, a per-person meeting charge to be fixed from time-to-time by the Board of Directors. The Board of Directors may, in its discretion, set different dues, fees, and assessments for each class and sub-class of members.

Section 3.05 **Members in Good Standing.** Members who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

Section 3.06 **Termination of Membership.** A membership shall terminate on occurrence of any of the following events:

- (a) Resignation of the member;
- (b) Expiration of the period of membership, unless the member is renewed on the renewal terms fixed by the Board of Directors;
- (c) The member's failure to pay dues, fees, or assessments as set by the Board of Directors within ninety (90) days after they are due and payable;
- (d) Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or
- (e) Termination of membership under Section 3.07 of these Bylaws based on the good faith determination by the Board of Directors, or a committee or person authorized by the Board of Directors to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests.

Section 3.07 **Suspension of Membership.** A member may be suspended, under Section 3.08 of these Bylaws, based on the good faith determination by the Board of Directors, or a committee or person authorized by the Board of Directors to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests. A person whose membership is suspended shall not be a member during the period of suspension.

Section 3.08 **Termination or Suspension of Membership.** If grounds appear to exist for suspending or terminating a member under Section 3.07 of these Bylaws, the following procedure shall be followed:

(a) The Board of Directors shall give the member at least fifteen (15) days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the Corporation's records.

(b) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board of Directors or by a committee or person authorized by the Board of Directors to determine whether the suspension or termination should occur.

Section 3.09 **Transfer of Memberships.** No membership or right arising from membership shall be transferred. All membership rights cease on the member's death or dissolution.

Section 3.10 **Annual Meeting.** An annual meeting of members shall be held in November of each year, unless the Board of Directors fixes another date or time and so notifies members as provided in Section 3.18 of these Bylaws. At the meeting, directors shall be elected or the results of the election presented if written ballot elections are held by mail or email in advance of this meeting and other proper business may be transacted, subject to Sections 3.16 and 3.17 of these Bylaws.

Section 3.11 **Quarterly Meetings.** A quarterly meeting of members shall be held at a time and place fixed by the Board of Directors. At the quarterly meetings any proper business may be transacted, subject to Section 3.17 of these Bylaws.

Section 3.12 **Place of Meeting.** Meetings of the members shall be held at any place within or outside California designated by the Board of Directors or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Corporation's principal office.

Section 3.13 **Authority to Call Special Meetings.** The Board of Directors or the Chair or ten percent (10%) or more of the members, may call a special meeting of the members for any lawful purpose at any time.

Section 3.14 **Calling Special Meetings.** A special meeting called by any person entitled to call a meeting (other than the Board of Directors) shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chair or the Secretary of the Corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, under Section 3.01 of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board of Directors, provided, however, that the meeting date shall be at least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board of Directors.

Section 3.15 **Proper Business of Special Meeting.** No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 3.16 **General Notice Requirements.** Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, under Section 3.18 of these Bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting. For the annual meeting, the notice shall state the matters that the Board of Directors, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

Section 3.17 **Notice of Certain Agenda Items.** Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (a) Removing a director without cause;
- (b) Filling vacancies on the Board of Directors;
- (c) Amending the articles of incorporation; or
- (d) Electing to wind up and dissolve the Corporation.

Section 3.18 **Manner of Giving Notice.** Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication including electronic mail, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member

as it appears on the books of the Corporation or at the address given by the member to the Corporation for purposes of notice. If no address appears on the Corporation's books and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail or facsimile or other written communication to the Corporation's principal office or (ii) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

Section 3.19 **Quorum.** One-third (1/3) of the voting power shall constitute a quorum for the transaction of business at any meeting of members.

Section 3.20 **Manner of Voting.** Voting may be by voice or by ballot, except that any election of directors must be by ballot if demanded before the voting begins by any member at the meeting.

Section 3.21 **Number of Votes.** Each member entitled to vote may cast one (1) vote on each matter submitted to a vote of the members.

Section 3.22 **Approval by Majority Vote.** If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Corporation Law or by the articles of incorporation.

Section 3.23 **Waiver of Notice or Consent.** The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if (a) a quorum is present in person, and (b) either before or after the meeting, each member entitled to vote, not present in person, signs a written waiver of notice and consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in Section 3.17, of these Bylaws, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

Section 3.24 **Action By Unanimous Written Consent.** Any action required or permitted to be taken by the members may be taken without a meeting, if all members are noticed and a majority consents in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the members.

Section 3.25 **Record Date for Notice, Voting, Written Ballots, and Other Board Actions.** For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board of Directors may, in advance, fix a record date. The record date so fixed for:

- (a) Sending notice of a meeting shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting;
- (b) Voting at a meeting shall be no more than sixty (60) days before the date of the meeting;
- (c) Voting by written ballot shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and
- (d) Taking any other action shall be no more than sixty (60) before that action.

Section 3.26 **Acts Without Meeting.** Notwithstanding anything in these Bylaws to the contrary, any action which may be taken at any regular or special meeting of voting members may be taken without a meeting if the Corporation distributes a written ballot to every member entitled to vote on the matter. The written ballot and any related materials may be sent by electronic transmission by the Corporation and responses may be returned to the Corporation by electronic transmission to the Corporation. That ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Corporation, such time period to be no less than five (5) business days. Approval by written ballot pursuant to this Section of these Bylaws shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

ARTICLE IV DIRECTORS

Section 4.01 **Powers and Responsibilities.** Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation or these Bylaws, the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised by, or under the direction of, the Board of Directors. The Board of Directors shall be responsible for, among other things: (i) adopting an annual budget, (ii) adopting the annual dues schedule, and (iii) adopting policies and positions concerning regulations, legislation and litigation. The Board of Directors may delegate the management of the activities of the Corporation to an Executive Director, a management company, or management committees however composed, provided that the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by, or under the ultimate direction of, the Board of Directors.

Without prejudice to these general powers and subject to the same limitations, the Board of Directors, in addition to the other powers enumerated in these Bylaws, shall have the power to:

(a) Appoint and remove, subject to any employment agreement and, at the pleasure of the Board of Directors, all officers, agents, and employees of the Corporation; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; fix their compensation (if any); and require from them security for faithful service.

(b) Change the principal executive office in the State of California from one location to another; cause the Corporation to conduct its activities within or without the State of California; and designate any place within or without the State of California for holding any meeting of Directors.

(c) Adopt and use a corporate seal and to alter the form of such seal from time to time, as in their judgment they may deem best, provided such seal shall at all times comply with the provisions of law.

(d) To approve an annual operating budget and capital expenditure budget, to borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

(e) To conduct, manage and control the affairs and activities of the Corporation and to make such rules and regulations therefore not inconsistent with applicable federal and California law, the Articles of Incorporation or the Bylaws as they may deem best.

Pursuant to authority hereinafter granted, to appoint committees and to delegate to such committees powers and authority of the Board of Directors in the management of the activities and affairs of the Corporation, except the power to adopt, amend or repeal Bylaws or Articles, and except as otherwise set forth herein.

(f) Fill vacancies on the Board of Directors in accordance with section 4.05.

Section 4.02 **Number and Qualification of Directors.** Commencing with the first annual meeting of the members, the authorized number of Directors shall be eleven (11) until changed by amendment to this bylaw made pursuant to the provisions of Article X of these Bylaws. Eight (8) of the Directors shall be duly authorized or elected representatives of a MS4 stormwater NPDES permittee or co-permittee and the remaining three (3) Directors shall be duly authorized or elected representatives of any non-MS4 category of membership in the Corporation. In the event that there are insufficient nominees in a category to fill the Director positions, those positions become at-Large and may be filled by duly authorized or elected representatives of any membership category.

A duly elected Director qualified at the time of his or her election shall remain eligible to serve as a Director if he or she changes employers until the end of the term to which he or she was elected provided he or she is a member in good standing and notifies the Board of Directors of the employment change.

Section 4.03 Restriction on Interested Persons as Directors. No more than forty-nine percent (49%) of the persons serving on the Board of Directors may be interested persons. An "interested person" is (a) any person 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; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this bylaw shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 4.04 Election, Designation, and Term of Office of Directors. Directors for the Corporation shall be elected by the voting members at an annual meeting of the members to be held in November of each year or by written ballot prior to the annual meeting. Directors shall be selected from a slate of nominees proposed by the Corporation's nominating committee and any eligible members nominated from the floor at the quarterly member's meeting preceding the annual meeting or by written nomination. Directors shall serve staggered two (2) year terms. At the first annual meeting of the members in November of 2002, six (6) Directors shall be elected for two (2) year terms and five (5) Directors shall be elected for one (1) year terms. Subsequent to the first annual meeting in 2002, Directors shall serve a term from January through December. If any Directors are not elected at an annual meeting, they may be elected at any special meeting of voting members held for that purpose or written ballot. Unless the Bylaws specifically provide otherwise, each such Director, including a Director appointed to fill a vacancy, shall hold office until expiration of the term for which appointed or elected and until a successor Director has been elected and qualified. No person shall serve as a Director for more than three (3) consecutive two (2) year terms. Following three (3) consecutive two (2) year terms, a break in service of two (2) years is required before a person is eligible to serve as a Director again. The last term of a Director will automatically be extended for a period not to exceed one year if the Director is currently serving as an Officer of the Board of Directors and has only served for one year preceding the end of their term. When a Director is appointed to fill a term, for which less than half the term is remaining, the appointment shall not count toward the noted term limits. If half or more of the term is remaining it shall be counted toward the term limit. (That is, if the appointed term is for less than one year then it does not count as a term served for the purposes of the term limits.)

Section 4.05 Vacancies; Removal; Resignation of Directors. A vacancy or vacancies on the Board of Directors shall be deemed to exist on the occurrence of any of the following: (a) the death or resignation of any Director; (b) the declaration by resolution of the Board of Directors of a vacancy in the office of a Director who has been declared to be improperly elected; (c) the declaration by resolution of the Board of Directors of a vacancy in the office of a Director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law;

(d) the increase of the authorized number of Directors; or (e) the removal of a Director in accordance with these Bylaws.

A Director may be removed, either with or without cause, by a three-fourths (3/4) vote of all other Directors at the time in office at any regular meeting or special meeting of the Board of Directors. The Board of Directors may set specific attendance guidelines that may cause a Director to be removed for failure to attend Board of Directors' meetings.

Except as provided below, any Director may resign by giving written notice to the Chair of the Board of Directors, the Vice-Chair or the Secretary, or the Board of Directors of the Corporation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a future time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of State of California, no Director may resign if the Corporation would be left without a duly elected Director or Directors.

Vacancies on the Board of Directors may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director.

No reduction of the authorized number of Directors shall have the effect of removing any Director from office before that Director's term of office has expired.

Section 4.06 **Place of Directors' Meetings; Meetings By Telephone.** Meetings of the Board shall be held at any place, within or without the State of California that has been designated by resolution of the Board of Directors or in the notice of the meeting or, if not so designated, at the principal executive office of the Corporation. Any meeting may be held by conference telephone, or similar communication equipment, as long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present in person at such a meeting.

Section 4.07 **Annual Meeting of Directors.** The Board of Directors shall hold its annual meeting in January. Each such annual meeting shall be held for purposes of organization, the election of officers, and the transaction of other business. Notice of the time and place of this meeting shall be required.

Section 4.08 **Other Regular Meetings.** Other regular meetings of the Board of Directors shall be held bi-monthly at such time and place as the Board of Directors may fix from time to time. The time and place of such meetings will be stated in the minutes of the previous meeting of the Board of Directors. Meetings of the Board of Directors may be open or closed to the members depending on the nature of the subject matter discussed at such meetings. Open meetings of the Board of Directors will address matters related to: (i) budget and business affairs, (ii) work plan status, (iii) regulatory statutory status and evaluation, (iv) such other matters as may appropriately come before the Board. Closed meetings shall involve confidential matters including, but not limited to, (i) strategic policy and litigation deliberations, and (ii) personnel matters.

Section 4.09 **Special Meetings.** Special meetings of the Board of Directors for any purpose may be called at any time by the Chair of the Board of Directors, the Vice-Chair, the Secretary or any two (2) Directors.

Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail postage prepaid, (c) by telephone, either directly to the Director or to a person at such Director's office who would reasonably be expected to communicate that notice promptly to such Director; (d) by electronic mail (e-mail), either directly to the Director or to a person at such Director's office who would reasonably be expected to communicate that notice promptly to such Director; or (e) by fax, either directly to the Director or to a person at such Director's office who would reasonably be expected to communicate that notice promptly to such Director. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation.

Notice sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, e-mail or fax shall be delivered, telephoned, e-mailed or faxed at least forty-eight (48) hours before the time set for the meeting.

The notice shall state the time of the meeting, and the place if the place is other than the principal executive office of the Corporation. The notice need not specify the purpose of the meeting.

Section 4.10 **Waiver of Notice.** Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to that Director.

Section 4.11 **Quorum.** A majority of the authorized number of Directors shall constitute a quorum for the transaction of any business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board of Directors, subject to the provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (b) approval of certain transactions between corporations having common directorships; (c) creation of, and appointments to, committees of the Board of Directors, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 4.12 **Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 4.13 **Notice of Adjourned Meeting.** Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

Section 4.14 **Action Without a Meeting.** Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors consent in writing to the action; provided, however, that the consent of any Director who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director," as defined in Section 5233 of the California Corporations Code, shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board of Directors. All such consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 4.15 **Reimbursement of Directors.** Directors and members of committees may receive such reimbursement of expenses, as may be fixed or determined by resolution of the Board of Directors to be just and reasonable as to the Corporation at the time that such resolution is adopted.

ARTICLE V OFFICERS

Section 5.01 **Officers of the Corporation.** The officers of the Corporation shall consist of a Chair, a Vice-Chair, a Secretary, and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, such other officers as may be appointed in accordance with Section 5.03 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Chair or Vice-Chair of the Board of Directors.

Section 5.02 **Election of Officers.** The officers of the Corporation, except such officers as may be appointed under Section 5.03 of these Bylaws, shall be chosen bi-annually by the Board of Directors from among the Board members. The Board of Directors shall identify candidate Officers during the last meeting of the preceding year and formally elect the Officers during the annual meeting. Officers shall serve two (2) calendar year terms. Officers may serve no more than one (1) two (2) year term and may be elected to serve again after a one (1) year break in service. When an Officer is elected to fill a partial term, for which less than half the term is remaining, it shall not count toward the noted term limits. If one half or more of the term is remaining it shall be counted toward the term limit.

Section 5.03 **Additional Officers.** The Board of Directors may appoint and may authorize the Chair of the Board of Directors, or other officer, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board of Directors.

Section 5.04 **Removal and Resignation of Officers.** Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board of Directors and also, if the officer was not chosen by the Board of Directors, by any officer on whom the Board may confer that power of removal.

Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 5.05 **Vacancies in Office.** 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 appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 5.06 **Chair of the Board.** Subject to the control of the Board of Directors, the Chair of the Board of Directors shall direct, and control the activities and affairs of the Board and its officers. The Chair of the Board of Directors shall have such other powers and duties as the Board of Directors or these Bylaws may prescribe. In the absence of an Executive Director, retained either as an employee of the Corporation or as an administrative services contractor of the Corporation, the Chair shall serve as the chief executive officer and direct and control the Corporation's activities and affairs. The Chair shall be given the necessary authority and held responsible for the administration of the Corporation in all its activities and subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. The Chair shall act as the "duly authorized representative" of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person for that specific purpose. Without prejudice to such general powers as above described, but subject to the limitations, authority and duties of the Chair are hereby expressly declared to be:

- (a) To carry out all policies established by the Board of Directors, and to advise on the formation of those policies;
- (b) To attend meetings of the Board of Directors and its committees;
- (c) To prepare a specific plan on an annual basis for the achievement of the Corporation's long-range objectives and goals as adopted by the Board of Directors, and to periodically review and evaluate that plan, and to report to the Board of Directors on that plan's execution;
- (d) To promote effective and economical working relationships with other charitable organizations;
- (e) To represent the Corporation to the various segments of the public served by or related to the Corporation;

(f) To see that the Corporation is in compliance with applicable laws and regulations and to assure review of and prompt action on reports and recommendations of authorized planning, regulatory and inspecting agencies; and

(g) To oversee, together with a personnel committee of the Board, the performance of the Executive Director in the performance of the following duties:

(1) Submitting to the Board of Directors an annual budget showing the expected receipts and expenditures;

(2) Selecting, employing, controlling, and discharging all administrative officers and employees authorized by the Board of Directors;

(3) Requiring that all physical properties are kept in good repair and operating condition;

(4) Supervising all business and financial affairs such as the maintenance of financial transaction records, collections of accounts, and purchase and issuance of supplies in accordance with principles of prudent business management;

(5) Submitting regularly to the Board of Directors or its authorized committees, the financial activities of the Corporation and preparing and submitting such special reports as may be required by the Board of Directors;

(h) To perform any other duty that may be necessary in the best interest of the Corporation.

Section 5.07 **Vice-Chair.** If the Chair is absent or disabled, the Vice-Chair shall perform all duties of the Chair. When so acting, the Vice-Chair shall have all powers of, and be subject to, all restrictions on the Chair. The Vice-Chair shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may prescribe.

Section 5.08 **Secretary.** The Secretary shall keep or cause to be kept, at the Corporation's principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board of Directors. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, and the names of those present at Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal executive office in the State of California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and of committees of the Board of Directors required by these Bylaws to be given. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board of Directors of these Bylaws may prescribe.

Section 5.09 **Treasurer.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board of Directors. The books of account shall be open to inspection by any Director at all reasonable times.

The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name of, and to the credit of, the Corporation with such depositories as the Board of Directors may designate; shall disburse the Corporation's funds as the Board of Directors may order; shall render to the Chair of the Board of Directors, and the Board of Directors, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation; and shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may prescribe.

The Board of Directors will secure in the name of the Corporation and the Treasurer a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of, the Treasurer upon such officer's death, resignation, retirement, or removal from office.

ARTICLE VI COMMITTEES

Section 6.01 **Committees of the Board.** The Board of Directors, by motion adopted by a majority of the Directors then in office, provided a quorum is present, may create one or more committees, including, but not limited to, an Executive Program Committee as defined in Section 6.03, each consisting of two (2) or more Directors, and other persons that the Directors may appoint to serve at the pleasure of the Board of Directors. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board of Directors may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board motion, shall only have the authority delegated by the Board of Directors, except that no committee, regardless of Board motion, may:

- (a) Fill vacancies on the Board of Directors or on any committee that has the authority of the Board of Directors;
- (b) Fix compensation of the Directors for serving on the Board of Directors or on any committee;
- (c) Amend or repeal Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;

(e) Create any other committees of the Board of Directors or appoint the members of committees of the Board of Directors;

(f) Expend corporate funds to support a nominee for Director after more people have been nominated for Director than can be elected; or

(g) Approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code; or

(h) Take any final action in violation of the California Nonprofit Public Benefit Corporation Law.

Section 6.02 Meetings and Actions of Committees. Meetings and actions of committees of the Board of Directors shall be governed by, held, and taken in accordance with, the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board motion or, if there is none, by motion of the committee of the Board of Directors. Minutes of each meeting of the Executive Program Committee of the Board of Directors shall be kept and shall be filed with the corporate records. All other committees of the Board of Directors shall report actions and decisions of their committee at the Board of Directors meeting immediately following the committee meeting, and such reports shall be made part of the Board of Directors minutes. The Board of Directors may adopt rules for the government of any committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board of Directors, the committee may adopt such rules.

Section 6.03 Executive Program Committee. An Executive Program Committee shall be selected by the Chair with the consent of the Board of Directors. The Executive Program Committee shall be comprised of no more than twenty-seven (27) committee members, the exact number to be determined by the Board of Directors, and shall be comprised of representatives of regular members, and affiliate members, and shall include a minimum of two (2) directors. No less than one-third (1/3) of the committee members shall be affiliate members. The Executive Program Committee shall (i) develop and propose to the Board of Directors the annual work plan, (ii) recommend policy and program direction and initiatives, (iii) pursue to completion the annual work plan, and (iv) serve as the nominating committee for the election of Directors and the selection of work group leaders. The Executive Program Committee shall meet bi-monthly and the meetings shall be open to all interested members.

ARTICLE VII INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 7.01 Agents, Proceedings, and Expenses. For the purposes of this Article, "agent" means any person who is or was a Director, officer, employee, or other agent of this Corporation; "proceeding" means any threatened, pending or completed action or

proceeding, whether civil, criminal, administrative, or investigative; and "expense" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Sections 7.04 or 7.05(b) of this Article VII.

Section 7.02 Actions Other Than By the Corporation. This 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, this Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Corporations Code, 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 this Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if that person acted in good faith and in a manner that person reasonably believed to be in the best interests of this Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of that 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 interests of this Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 7.03 Actions By the Corporation. This 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, this Corporation, or brought under Section 5233 of the California Corporations Code, 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 person is or was an agent of this Corporation, against expenses actually and reasonably incurred by that person in connection with the defense or settlement of that action if that person acted in good faith, in a manner that person believed to be in the best interests of this Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 7.03 for any of the following reasons:

- (a) In respect of any claim, issue or matter as to which that person shall have been adjudged to be liable to this Corporation in the performance of that person's duty to this 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, that person is fairly and reasonably entitled to indemnity for the expenses and then only to the extent that the 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 7.04 **Successful Defense By Agent.** To the extent that an agent of this Corporation has been successful on the merits in defense of any proceeding referred to in Sections 7.02 or 7.03 of this Article VII, 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 7.05 **Required Approval.** Except as provided in Section 7.04 of this Article VII, any indemnification under this Article VII shall be made by this 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 Section 7.02 or 7.03 of this Article VII, by any of the following:

- (a) A majority vote of a quorum consisting of Directors who are not parties to the proceeding; or
- (b) The court in which the proceeding is or was pending, upon application made by this 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 this Corporation.

Section 7.06 **Advance of Expenses.** Expenses incurred in defending any proceeding may be advanced by this Corporation before the final disposition of the proceeding upon receipt of an undertaking by, or on behalf of, the agent to repay the amount of the advance unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.

Section 7.07 **Other Contractual Rights.** No provision made by a corporation to indemnify its Directors or officers for the defense of any proceeding, whether contained in the Corporation's Articles of Incorporation or Bylaws, a resolution of the Board of Directors, an agreement or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any right to indemnification to which persons other than Directors and officers of this Corporation may be entitled by contract or otherwise.

Section 7.08 **Limitations.** No indemnification or advance shall be made under this Article VII, except as provided in Sections 7.04 or 7.05(b), in any circumstances where it appears:

- (a) That it would be inconsistent with a provision of the Articles of Incorporation, 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 7.09 **Insurance.** Upon and in the event of a determination by the Board of Directors of this Corporation to purchase such insurance, this Corporation may 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 this Corporation would have the power to indemnify the agent against the liability under the provisions of this Article VII; provided, however, that this 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 Corporations Code.

ARTICLE VIII RECORDS AND REPORTS

Section 8.01 **Records and Reports.** The Corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its Board of Directors, and Executive Program Committee of the Board of Directors; and
- (c) A record of its members giving their names and addresses and the class of membership held by each.

Section 8.02 **Maintenance and Inspection of Articles and Bylaws.** The Corporation shall keep at its principal executive office the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the members of the Board of Directors at all reasonable times during office hours.

Section 8.03 **Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 8.04 **Annual Report.** The Board of Directors shall cause to be prepared and distributed to the membership an annual report, to be sent within one hundred twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds.
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes.

(d) The expenses or disbursements of the Corporation for both general and restricted purposes.

(e) A statement of the place where the names and addresses of the current members are located.

(f) Any information required by Section 8.05 of Article VIII of these Bylaws.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than Ten Thousand and No/100 Dollars (\$10,000.00) in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors who request it in writing.

Section 8.05 **Annual Statement of Certain Transactions and Indemnifications**. As part of the annual report to the Board of Directors of the Corporation, or as a separate document if no annual report is issued, the Corporation shall annually furnish to each member a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the end of the Corporation's fiscal year:

(a) Any transaction (i) which the Corporation, its parent, or its subsidiary was a party; (ii) in which an "interested person" had a direct or indirect material financial interest; and (iii) which involved more than Fifty Thousand and No/100 Dollars (\$50,000.00), or was one of a number of transactions with the same interested person involving, in the aggregate, more than Fifty Thousand and No/100 Dollars (\$50,000.00). For this purpose, an "interested person" is either of the following:

(1) Any Director or officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

(2) Any holder of more than ten percent (10%) of the voting power of the Corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(b) Any indemnifications or advances aggregating more than Ten Thousand and No/100 Dollars (\$10,000.00) paid during the fiscal year to any officer or Director of the Corporation under Sections 7.01 through 7.03 of these Bylaws, unless that indemnification has already been approved by the Directors under Section 5238(e)(2) of the California Corporations Code.

ARTICLE IX CONFLICTS OF INTERESTS

Section 9.01 **Disqualifying Financial Interest.** Any member of the Board of Directors must obtain the Board of Directors' approval pursuant to Section 9.02 or Section 9.03 and disqualify himself or herself from making, participating in the making of, or attempting to influence any decisions of the Board of Directors or a committee of the Board of Directors if it is reasonably foreseeable that the decision is one in which the Director has a material financial interest.

Section 9.02 **Prior Board of Directors Approval.** The Board of Directors may approve a proposed transaction in which a Director or Directors may have a material financial interest if after reasonable investigation and prior to consummating the transaction or any part thereof, with knowledge of the material facts concerning the transaction and the Director or Directors' interest in transaction, the Board of Directors determines in good faith by vote of a majority of Directors then in office without counting the vote of the interested Director or Directors, that:

- (a) The proposed transaction is for the Corporation's own benefit;
- (b) The proposed transaction is fair and reasonable as to the Corporation; and
- (c) The Corporation cannot obtain a more advantageous arrangement with reasonable efforts under the circumstances.

Section 9.03 **Board of Directors Ratification.** The Board or Directors may ratify a transaction entered into between the Corporation and a Director or Directors in which the Director or Directors had a material financial interest if at the next meeting of the Board of Directors, the Board of Directors determines in good faith by vote of a majority of Directors then in office without counting the vote of the interested Director or Directors, that:

- (a) A committee or person authorized by the Board of Directors approved the transaction;
- (b) The Corporation entered into the transaction for its own benefit;
- (c) The transaction was fair and reasonable as to the Corporation at the time the Corporation entered into the transaction; and
- (d) It was not reasonably practicable to obtain approval of the Board of Directors prior to entering into the transaction.

Section 9.04 **Disqualifying Non-Financial Interest**. Any member of the Board of Directors must likewise disqualify himself or herself when there exists a personal non-financial interest that will prevent the member from applying disinterested skill and undivided loyalty to the Corporation in making or participating in the making of decisions.

Section 9.05 **Procedure of Disqualification**. A Director required to disqualify himself or herself pursuant to Sections 9.01 or 9.04, above, shall (1) immediately disclose the interest, (2) withdraw from any participation in the matter, (3) refrain from attempting to influence any other Director, and (4) refrain from voting. The Director may be counted in determining whether a quorum is present.

Section 9.06 **No Invalidation of Action**. No action or decision of the Board of Directors or committee of the Board of Directors shall be invalid because of the participation therein by a Director or Directors in violation of this policy.

ARTICLE X GENERAL CORPORATE MATTERS

Section 10.01 **Construction and Definitions**. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

Section 10.02 **Amendment of Bylaws**. New bylaws may be adopted, or these Bylaws may be amended or repealed, in any manner authorized under Section 7150 of the California Corporations Code, or in any other manner permitted by applicable law. Notwithstanding the foregoing, except as otherwise specifically allowed in these Bylaws, the Board of Directors may not extend the term of a Director beyond that for which such Director was elected without prior membership approval.

Section 10.03 **Authority to Bind Corporation**. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors 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 in any amount.

Section 10.04 **Amendments of Articles**. The Articles of Incorporation of this Corporation may be amended, repealed or new Articles adopted in any manner authorized under Sections 7810 *et seq.* of the California Corporations Code, or in any manner permitted by applicable law.

Section 10.05 **Bylaws Review**. These Bylaws shall be reviewed at least annually for the purpose of determining whether any amendments are necessary or appropriate. Such review shall be pursuant to procedures established by the Board of Directors.

Section 10.06 **Insurance**. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising out of the officer's, Director's, employee's, or agent's status as such.

CERTIFICATE OF ADOPTION

I certify that I am the duly elected and acting Secretary of CALIFORNIA STORMWATER QUALITY ASSOCIATION, a California non-profit public benefit corporation, that the above Amended and Restated Bylaws, consisting of twenty-three (23) pages, are the Bylaws of this Corporation as adopted by the Board of Directors of this Corporation on July 21, 2008, and that said Bylaws have not been amended or modified since the date thereof.

Executed on July 21, 2008, at Sacramento, California.

A handwritten signature in black ink, appearing to read "Kerry Schmitz". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Kerry Schmitz, Secretary