

**BYLAWS  
OF  
BORREGO VALLEY ENDOWMENT FUND, INC.  
A California Nonprofit Public Benefit  
Corporation Amended , 2015**

**ARTICLE I  
Recitals and Definitions**

Section 1. Name of Corporation. The name of this Corporation shall be BORREGO VALLEY ENDOWMENT FUND, Inc.

Section 2. Corporation Is Nonprofit. This Corporation has been formed pursuant to the California Nonprofit Corporation Law as a Public Benefit Corporation.

Section 3. Specific Purpose. The purpose of this corporation is to operate a community foundation that gives support to charitable programs operated by public charities whose purpose includes, but is not limited to, charitable, cultural, scientific, literary, civic, health, and educational programs.

Section 4. Nonpartisan Activities. No substantial part of the activities of this Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation. This Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote. This Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above in Section 3.

Section 5. Dedication of Assets. The properties and assets of this Corporation are irrevocably dedicated to educational or charitable financial support of medically related services in the Borrego Valley. No part of the net earnings, properties, or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any Trustee of this Corporation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization dedicated to educational or other charitable purposes, provided that the organization continues to be dedicated to the exempt purposes as specified in Internal Revenue Code Section 501(c) (3).

**ARTICLE II  
Principal Office**

Section 1. Location of Principal Office. The principal office for the transaction of the business of this Corporation is located at 2701 Double O Road, P.O. Box 2714, Borrego Springs, California, 92004. The Board of Trustees may change the principal office from one

location to another within the State of California as the Board may from time to time designate by resolution. Any changes of this location shall be noted by the Secretary of this Corporation and attached as a supplement to these Bylaws.

Section 2. Other Offices. The Board of Trustees may at any time establish branch or subordinate offices at any place or places where this Corporation is qualified to do business.

### ARTICLE III Membership

Section 1. Members. This Corporation shall have no members as that term is defined in Section 5056 of the California Nonprofit Corporation Law. Unless otherwise provided herein or in the California Nonprofit Corporation Law, any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board of Trustees. All rights which would otherwise vest in the members shall vest in the Board of Trustees.

Section 2. Associates. Nothing in this Article III shall be construed as limiting the right of this Corporation to refer to persons associated with it, who participate in any activities of this Corporation, as "members" even though such persons are not members, as defined in Section 5056 of the California Nonprofit Corporation Law. Such persons shall be deemed to be associated persons with respect to the corporation as that term is defined in Section 5332 of the California Nonprofit Corporation Law and no such reference shall constitute anyone a member of this Corporation.

### ARTICLE IV Board of Trustees

Section 1. General Powers. The business and affairs of this This Corporation shall be vested in and exercised by, this Corporation's Board of Trustees. Subject to the limitations expressed in Article V, the Board may delegate the management of the activities of this Corporation to any person or persons, or committee, provided that, notwithstanding any such delegation, the activities and affairs of this Corporation shall continue to be managed and all corporate powers shall continue to be exercised under the ultimate directions of the Board.

Section 2. Number of Trustees. The number of Trustees of this Corporation shall be a maximum of Fifteen (15).

Section 3. Election and Term of Office. The term shall coincide with the fiscal year of this Corporation. New Trustees shall be nominated as provided in Section 4 below and shall be elected at each annual meeting of the board to fill the offices made vacant by the expired terms of Trustees or otherwise, but, if any such annual meeting is not held or the

Trustees are not elected at such meeting, the Trustees may be elected at any special meeting of Trustees held for that purpose.

Section 4. Nominations and Solicitations for Votes.

(a) Nominations by Trustees of This Corporation. Trustees may nominate candidates for election to the Board of Trustees at any time before the twentieth day preceding the date that Notice of the Annual Meeting shall be given.

(b) A nominee for election to the Board of Trustees shall be entitled to communicate in any reasonable manner regarding his or her election with members of the Board of Trustees at his or her expense. The Secretary of this Corporation shall provide the names of each Trustee and the means of communication selected by each Trustee to receive such election communication.

Section 5. Restriction on Interested Trustees. Not more than 49% of the persons serving on the Board at any time may be interested persons. An interested person is (1) any person compensated by this 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; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, mother-in-law or father-in-law of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by this Corporation.

Section 6. Removal of Trustees and Filling Vacancies on Board of Trustees.

(a) Vacancies, Generally. A vacancy or vacancies in the Board of Trustees shall be deemed to exist on the occurrence of (i) the death, resignation or removal of a Trustee; or (ii) an increase of the authorized number of Trustees pursuant to Article IV, Section 1 above. A majority of the Board of Trustees may, by resolution, remove any Trustee who shall not regularly attend meetings of the Board or otherwise perform the duties of a Trustee of this Corporation.

(b) Removal of a Trustee. If the Board acts to remove a Trustee, it shall provide written notice of such removal, including the reasons therefore, to be communicated to the member 15 days prior to the effective date of the proposed removal. This Corporation shall provide the member with an opportunity to be heard, orally or in writing, by an impartial person authorized by the Board to decide that the proposed removal not take place. Such hearing shall take place not less than five days prior to the effective date of the proposed removal. A member who is removed after being afforded an opportunity to be heard that such removal not take place, shall be liable for the costs of services and/or benefits incurred.

(c) Resignation of Trustee. Any Trustee may resign, which resignation shall be effective on giving written notice to the President or the Secretary unless the notice specifies a later time for the resignation to become effective. If the resignation of a Trustee

is effective at a future time, the Board of Trustees may elect a successor to take office when the resignation becomes effective. No Trustee may resign where this Corporation would then be left without a duly elected Trustee or Trustees in charge of its affairs.

(d) Filling of Vacancies. Vacancies on the Board may be filled by a majority of the Trustees then in office, whether or not less than a quorum is present at a meeting called for this purpose, or by a sole remaining Trustee.

ARTICLE V  
Board Meetings

Section 1 Place of Meetings: Meetings by Telephone or Email. Regular and special meetings of the Board of Trustees may be held at any place within or without the state that has been designated from time to time by written notice of the meeting. In the absence of such designation, regular meetings shall be held at a location selected by the Board President. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Trustees participating in the meeting can hear one another, and all such Trustees shall be deemed to be present in person at such meeting.

Section 2. Annual Meeting of Trustees. The Board of Trustees shall hold an annual meeting for the purpose of organization, election of officers, and the transaction of other business. The annual meeting shall be held within 30 days of the beginning of the fiscal year of this Corporation. The fiscal year shall begin on April 1st annually. The date, time and location of the meeting shall be set forth in the notice thereof issued in accordance with Article V, Section 5, below.

Section 3. Regular Meetings. Regular meetings of the Board shall be held at such times and places within or without the state as may be designated in the notice of the meeting or which are designated by resolution of the Board.

Section 4. Special Meetings of the Board of Trustees. Special meetings of the Board for any purpose or purposes may be called at any time by the President, or by any Vice-President, or the Secretary, or any two Trustees. Special meetings of the Board may be held at such times and places within or without the state as may be designated in the notice of the meeting or which are designated by resolution of the Board.

Section 5. Notice of Meetings.

(a) Manner of Giving Notice of Annual Meeting and Special Meetings of the Trustees. Notice of the time and place of the regular and any special meetings of the Trustees shall be given to each director by one of the following methods: (i) by personal delivery of written notice; (ii) by first-class mail, postage prepaid; (iii) by telephone, email or facsimile communication, either directly to the Trustee or to a person at the Trustee's home or office who would reasonably be expected to communicate such notice promptly to the Trustee; or (iv) by telegram, charges prepaid. All such notices shall be given or sent to the Trustee's

address or telephone number as shown on the records of this Corporation. Notice of a meeting need not be given to any Trustee who signs a written waiver of notice or a written consent to holding the meeting, or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at the commencement of the meeting, the lack of notice to such Trustee. All such waivers, consents and approvals shall be filed with this Corporation records and made a part of the minutes of the meeting.

(b) Time Requirements of Notices of Annual Meeting and Special Meetings of the Trustees. Notices of Annual or special meetings of Trustees shall be sent no less than 10 days nor more than 90 days prior to the date of the meeting.

(c) Notice of Contents of Annual Meeting and Special Meetings of the Trustees. The notice shall state the date, time, place, and the general purpose of the meeting. If the notice is of a special meeting of the Trustees, the notice shall state the general nature of the business to be transacted and that no other business may be transacted. The notice of Annual Meeting shall include the names of all persons nominated for election to the Board of Trustees.

(d) Notice of Regular and Special Meetings of the Board of Trustees. Notice of the time and place of regular and any special meeting of the Board of Trustees shall be given no less than four days prior to the meeting if by first class mail and no less than 48 hours if delivered personally or by telephone, including a voice messaging system or by electronic transmission in accordance with California Corporations Code Section 20 . The notice need not specify the nature of the business to be transacted.

#### Section 6. Quorum Requirements.

(a) Specified Quorum. A majority of the current Board of Trustees shall constitute a quorum for the transaction of business, except to adjourn as provided in Article V, Section 8, below. This section shall apply to Annual and Special Meetings of Trustees.

(b) Action of the Board. Except as otherwise provided herein or in the California Nonprofit Corporation Law, every act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Trustees.

(c) Effect of Withdrawal of Trustees from Meeting. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Trustees below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting or such greater number as is required by the Articles of Incorporation or these Bylaws.

Section 7. Waiver of Notice. The transaction of any meeting of the Board of Trustees, however called and notice or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) quorum is present, and (ii) either before or

after the meeting, each of the Trustees not present, individually or collectively, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes thereof. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with this Corporation's records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any Trustee who attends the meeting without protesting before or at its commencement about the lack of notice.

Section 8. Adjournment. A majority of the Trustees present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of adjournment to any other time or place shall be given prior to the time of the reconvening of the adjourned meeting to the Trustees who were not present at the time of the adjournment. Except as hereinabove provided, notice of adjournment need not be given.

Section 9. Action Without a Meeting. Any action required or permitted to be taken by the Board of Trustees may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Trustees. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 10. Compensation. Trustees and members of committees shall serve without compensation, except that they shall be reimbursed for actual expense properly incurred on behalf of this Corporation.

Section 11. Visitors. No person other than a Trustee may attend any meeting of the Board without the consent of a majority of the Trustees present; provided, however, that a representative of legal counsel for this Corporation and a representative of any independent accountant for this Corporation may attend any such meeting upon the invitation of any Trustee prior to the expiration of his term of office.

## ARTICLE VI Duties and Powers of the Board

Section 1. Specific Powers. Without prejudice to the general powers of the Board of Trustees set forth in Article IV, Section 1, the Trustees shall have the power to:

- (a) Exercise all powers vested in the Board under the California Nonprofit Corporation Law.
- (b) Appoint and remove all officers of this Corporation and other employees; prescribe any powers and duties for such persons that are consistent with the law, the Articles of Incorporation and these Bylaws; and fix their compensation.
- (c) Appoint such agents, including attorneys and accountants, as it sees fit to assist in the operation of this Corporation, and to fix their duties and to establish their compensation.

(d) Adopt and establish rules and regulations governing the affairs and activities of this Corporation, and take such steps as it deems necessary for the enforcement of such rules and regulations.

(e) Enforce all applicable provisions of these Bylaws.

(f) Contract for and pay premiums for insurance and bonds (including indemnity bonds), which may be required from time to time by this Corporation.

(g) Pay all taxes, and charges, which are or would become a lien on any portion of this Corporation's properties.

(h) Contract for and pay for construction or reconstruction of any portion or portions of this Corporation's properties, which have been damaged or destroyed and which are to be rebuilt.

(i) Delegate its duties and powers hereunder to the officers of this Corporation or to committees established by the Board, subject to the limitations expressed in Article VI, Section 2 hereof.

(j) Prepare budgets and maintain a full set of books and records showing the financial condition of the affairs of this Corporation in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals prepare an annual financial report, a copy of which shall be delivered to each Trustee.

(k) Open bank accounts and borrow money on behalf of this Corporation and designate the signatories to such bank accounts.

(l) Bring and defend actions on behalf of this Corporation so long as the action is pertinent to the operations of this Corporation.

## Section 2. Limitations on Powers.

(a) Self-Dealing Transactions. Notwithstanding the powers conferred on the Board pursuant to Article VI, Section 1 hereof, this Corporation shall not engage in any transaction which meets the definition of a "self-dealing transaction" as defined in Section 5233 of the California Nonprofit Corporation Law unless the transaction has been approved by one of the means specified in subparagraph (d) of said Section 5233.

(b) Transactions between Organizations having Common Directorships. Unless it is established that the contract or transaction is just and reasonable as to this Corporation at the time it is authorized, approved or ratified, this Corporation shall not enter into a contract or transaction with any other corporation, association or entity in which one or more of this Corporation's Trustees are directors, or equivalent positions of authority, unless the material facts as to the transaction and the Trustees common directorship are fully known or disclosed to the Board. The Board must approve, authorize or ratify any such contract or transaction in good faith and by a vote sufficient without counting the vote of the common Trustee(s).

(c) Loans to Trustees or Officers. This Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Trustee or officer, unless the transaction is first approved by the provisions of the California Nonprofit Corporation Law (Section 5236) on account of expenses anticipated to be incurred in the performance of the Trustee or officer duties.

(d) Standards for Investment. Except as provided in Sections 5240 (c) and 5241 of the California Nonprofit Corporation Law, in the investment, reinvestment, purchase, acquisition, exchange, sale and management of this Corporation's investments, the Board shall:

(i) Avoid speculation, looking instead to the long term disposition of the funds, considering the probable income, as well as the probable safety of this Corporation's capital; and

(ii) Comply with additional standards, if any, imposed by the Articles of Incorporation, these Bylaws or the express terms of any instrument or agreement pursuant to which the invested assets were contributed to this Corporation.

## ARTICLE VII Committees

Section 1. Committee of Trustees. The Board of Trustees may, by resolution adopted by a vote of a majority of the Trustees then in office, designate one or more committees, each consisting of two or more Trustees, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

a) Fill vacancies on the Board of Trustees or on any committee which has been delegated any authority of the Board.

(b) Amend or repeal Bylaws or adopt new Bylaws.

(c) Amend or repeal any resolution of the Board of Trustees which by its express terms is restricted from amendments or repeals.

(d) Appoint any other committees of the Board of Trustees or the members of those committees.

(e) Approve any self-dealing transaction unless authorized by Section 5233 (d) (3) of the California Nonprofit Corporation Law.

(f) Expend This Corporation funds to support a nominee for Trustee after there are more people nominated for Trustee than can be elected.

Section 2. Meetings and Actions of Committees. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Article V of



these Bylaws, concerning meetings of Trustees, with such changes in the context of these Bylaws as are necessary to substitute to committee and its members for the Board of Trustees and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Trustees or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Trustees. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with this Corporation records. The Board of Trustees may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

## ARTICLE VIII Officers

Section 1. Officers. The officers of this Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. This Corporation may also have, at the discretion of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provision of Section 3 following. One person may hold two or more offices, except that neither the Secretary nor the Treasurer may serve concurrently as President.

Section 2. Election of Officers. The officers of this Corporation, except such officers as may be appointed in accordance with the provisions of Sections 3 and 5 following, shall be chosen bi-annually by a majority vote of the Board of Trustees at the first meeting of the fiscal year, and shall hold office for a two (2) year term or until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

Section 3. Subordinate Officers. The Board may appoint, and may empower the President to appoint, such other officers as the affairs of this Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws and as the Board may from time to time determine.

Section 4. Removal of Officers. Any officer may be removed, either with or without cause, by majority vote of the Board at any regular or special meeting.

Section 5. Resignation of Officers. Any officer may resign at any time by giving written notice to the President or to the Secretary of this Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of this Corporation under any contract to which the officer is a party.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws

for regular appointments to such office.

Section 7. President. The President shall be the Chief Executive Officer of this Corporation and shall, subject to the control of the Board, have general supervision, direction, and control of the business and officers of this Corporation. The President shall preside at all meetings of the Board. He shall be ex officio a member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. Vice President. In the absence or disability of the President, the Vice Presidents in order of their rank as fixed by the Board or, if not ranked, the Vice President designated by the Board, shall perform all the duties of the President, or, if there be none, the Chairman of the Board, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President or Chairman of the Board. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for each of them by the Board or the Bylaws.

Section 9. Secretary. The Secretary shall keep or cause to be kept at the principal office or such other place as the Board may order, a book of minutes of all meetings of Trustees, with the time and place of holding same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Trustees meeting, the proceedings thereof and written consents to actions without a meeting. The Secretary shall give, or cause to be given, notice of all meetings of the Board required by the Bylaws or by law to be given, and shall keep the seal of this Corporation in safe custody. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Section 10. Treasurer. The Treasurer, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of this Corporation, including changes in its financial position, accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books and records shall at all reasonable times be open to inspection by any Trustee. The Treasurer shall deposit all monies and other valuables in the name and to the credit of this Corporation with such depositaries as may be designated by the Board. The Treasurer shall disburse the funds of this Corporation as may be ordered by the Board, shall render to the President and Trustees whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of this Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

## ARTICLE IX Miscellaneous

Section 1. Maintenance and Inspection of Articles and Bylaws. This Corporation shall keep

at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the Articles and Bylaws as amended to date.

Section 2. Maintenance and Inspection of Other Corporate Records. The accounting books, records, and minutes of proceedings of the members and the Board of Trustees and any committee(s) of the Board of Trustees shall be kept at such place or places designated by the Board of Trustees, or, in the absence of such designation, at the principal executive office of this Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form.

Section 3. Inspection Rights of Trustees. In accordance with Section 6334 of the California Nonprofit Corporation Law, every Trustee shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of this Corporation for a purpose reasonably related to such persons interest as a Trustee. This inspection by a Trustee may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 4. Execution of Contracts. Any contract or other instrument in writing entered into by this Corporation, when signed by the President or any Vice President and the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer is not invalidated as to this Corporation by any lack of authority of the signing officers in the absence of actual knowledge on the part of the other party to the contract or other instrument that the signing officers had no authority to execute the same. Contracts or other instruments in writing made in the name of this Corporation which are authorized or ratified by the Board, or are done within the scope of authority, actual or apparent, conferred by the Board or within the agency power of the officer executing it, bind this Corporation.

Section 5. Construction and Definitions. Unless the context otherwise requires, or a term is specifically defined herein, the general provisions, rules of construction and definitions contained in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular.

Section 6. Annual Statement of General Information. As and when required by Section 6210 of the California Nonprofit Corporation Law, this Corporation shall file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the names and complete business or residence addresses of the President, Secretary, and Treasurer. The street address of its principal executive office or principal business office in this state, together with a designation of the agent of this Corporation for the purpose of service of process.

Section 7. Checks, Drafts, Evidences of Indebtedness. All checks, drafts, or other orders for

payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to, this Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

## ARTICLE X

### Indemnification and Liability of Trustees, Officers, Employees and Other Agents

#### Section 1. Indemnification of Agents.

(a) Any person who was or is a Trustee, officer, employee or other agent of this Corporation (collectively "agents") shall be indemnified by this Corporation for any claims, demands, causes of action, expenses or liabilities arising out of, or pertaining to, the agent's service to or on behalf of this Corporation to the full extent permitted by the California Nonprofit Corporation Law, Section 5238.

(b) This Corporation shall have power to purchase and maintain insurance on behalf of any agent of this 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 such liability under Section 5238 of the California Nonprofit Corporation Law; provided, however, that this Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of this Corporation for a violation of Section 5233 of the California Nonprofit Corporation Law.

#### Section 2. Non-Paid Trustees: Alleged Failure to Discharge Duties; No Monetary Liability.

Except as provided in Section 5233 or 5237 of the California Nonprofit Corporation Law, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any non-paid Trustee, including any non-paid Trustee who is also a non-paid officer, of this Corporation based upon any alleged failure to discharge the person's duties as Trustee or officer if the duties are performed in a manner that meets all of the following criteria:

(a) The duties are performed in good faith.

(b) The duties are performed in a manner such Trustee believes to be in the best interest of this Corporation.

(c) The duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

#### Section 3. Personal Liability of Volunteer Trustee or Officer for Negligence.

a) Except as provided in subparagraph (c), below, there shall be no personal liability to a third party on the part of a volunteer trustee or volunteer executive committee officer of this Corporation caused by the Trustee's or officer's negligent act or omission in the performance of that person's duties as a trustee or officer, if all of the following conditions are met:

(i) The act or omissions was within the scope of the trustee's or executive committee officer's duties.

(ii) The act or omission was performed in good faith.

(iii) The act or omission was not reckless, wanton, intentional, or grossly negligent.

(iv) Damages caused by the act or omission are covered pursuant to a liability insurance policy issued to this Corporation, either in the form of a general liability policy or a Trustee's and Officer's liability policy, or personally to the trustee or executive committee officer. In the event that the damages are not covered by a liability insurance policy, the volunteer trustee or volunteer executive committee officer shall not be personally liable for the damages if the Board of Trustees and the person had made all reasonable efforts in good faith to obtain available liability insurance.

(b) For purposes of this Section 3, "volunteer" means the rendering of services without compensation. "Compensation" means remuneration whether by the way of salary, fee, or other consideration for service rendered. However, the payment of per diem, mileage, or other reimbursement expense to a trustee or executive committee officer does not affect that person's status as a volunteer within the meaning of this section.

(c) This section does not eliminate or limit the liability of a Trustee or officer for any of the following:

(i) Any liability with respect to self-dealing transactions as provided in Section 5233 of the California Nonprofit Corporation Law or any liability with respect to certain prohibited distributions, loans or guarantees are provided in Section 5237 of said law.

(ii) In any action or proceeding brought by the California Attorney General.

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ARTICLE XI  
Amendments to Bylaws

Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the affirmative vote or written ballot of a majority of the members of the Board of Trustees.

IN WITNESS THEREOF, A mended by affirmative majority vote of the Board of Trustees on  
\_\_\_\_\_, 2015.

\_\_\_\_\_  
Robert Kelly  
President of the Board of Trustees

\_\_\_\_\_  
Richard Hasselbring  
Secretary