



# CALIFORNIA STATE RETIREES

## BYLAWS

The mission of the California State Retirees is to protect the pension and health benefits of all retired state employees.



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## **Article I Name and Principal Office**

Section 1. Name. The name of this Corporation is California State Retirees (hereafter referred to as the "Corporation").

Section 2. Principal Office. The principal office of the Corporation shall be in Sacramento County, California. (Resolution BGR 7/15, Delegate Assembly 10/13/15)

Section 3. Other Offices. The Corporation may from time to time establish branch or subordinate offices.

## **Article II Mission**

The mission of the California State Retirees is to protect the pension and health benefits of all retired state employees. (Resolution Bylaws 2/3, Delegate Assembly 10/23/18)

## **Article III Purpose**

The purpose of the Corporation is to:

- A. Represent the interests of the California State Retirees, and
- B. Serve as a medium of representation, communication and advocacy for members before state agencies and the state legislature.

The Corporation shall not engage in any activities not permitted to be carried on by a corporation exempt from federal or California income or revenue taxes under section 501(c)(5) of the Internal Revenue Code or section 23701(a) of the California Revenue and Taxation Code, or the corresponding provisions of any future United States or California internal revenue or taxation law. Notwithstanding any other provision of these articles, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the Corporation. (Resolution BGR 8/15, Delegate Assembly 10/13/15)

## **Article IV Membership**

Section 1. Classes of Membership. The Corporation shall have two mutually exclusive classes of membership: active and associate. No person may hold membership in more than one class.

Section 2. Qualification for Membership. Any adult individual dedicated to the purpose of this Corporation and qualified for membership in one of the following classes may be admitted to membership in such class on compliance with the procedures set forth in this Article. The qualifications for the respective classes of membership shall be as follows:

- A. Active Members. Active members are persons who retired from state service under provisions of a public retirement system and who continue to be retired from state service.
- B. Associate Members. Associate members are those persons who are not qualified for active membership and who meet other such criteria and conditions as established by the Board of Directors and set forth in the Governing Rules. (Resolution BGR 10/15, Delegate Assembly 10/13/15)

C. Rights and Benefits.

1. Active Members

Active members have the right to take all actions and enjoy all benefits provided for the members of the Corporation, including the rights to vote and to run for elected office in the Corporation and the Association. They also have those additional rights and benefits as established by these Bylaws or in the Governing Rules of this Corporation. Notwithstanding anything to the contrary only persons who are classified as active members above shall be deemed members of the Corporation for purposes of voting under California Corporation Code ("CCC") Section 5056(a).

2. Associate Members

The rights and benefits of these associate members shall be established in the Governing Rules. Persons who are classified as associate members are not members of the Corporation for purposes of CCC Section 5056(a) and associate members shall not have any voting rights, including but not limited to, any right to vote as a class under CCC Section 7150. (Resolution BGR 14/15, Delegate Assembly 10/13/15)



### 3. Eligibility.

Each member shall be a member of a Chapter as well as a member of the Corporation and shall be entitled to any of the rights of membership. A person who is eligible for membership in the Corporation shall be eligible for membership in the Chapter where the person now resides or any Chapter to which the member chooses to belong. A person who does not reside in the territory of any chapter may choose to belong to any Chapter. No member may hold membership in more than one Chapter.

### 4. Dues.

The dues for the members, which may from time to time be adjusted by the Board of Directors, shall be set forth in the Governing Rules. (Resolution BGR 13/15, Delegate Assembly 10/13/15)

## **Article V Board of Directors**

Section 1. Board of Directors. The CSR Board of Directors shall consist of two components: the first component shall be known as the CSR Officers and shall consist of a President, an Executive Vice President, a Vice President and a Chief Financial Officer/Secretary, the responsibilities of which shall be statewide. The second component shall be a minimum of seven District Directors each elected by geographical area representing members. (Resolution BGR 1/15, Delegate Assembly 10/13/15; Resolution Bylaws 3/3, Delegate Assembly 10/23/18)

Section 2. Powers of the Board of Directors. Subject to the provisions and limitation of applicable law, and subject to any limitations in the Articles of Incorporation, the activities and affairs of the Corporation shall be managed, and all corporate power shall be exercised by or under the direction of a Board of Directors. (Resolution BGR 1/15, Delegate Assembly 10/13/15)

### Electoral Districts

The state shall be divided into a minimum of seven Districts with one Director elected from each District. The minimum of seven geographical districts and their accompanying assigned Chapters shall be established by the Board of Directors as detailed in the Governing Rules of the Corporation. (Resolution BGR 1/15, Delegate Assembly 10/13/15; Resolution Bylaws 3/3, Delegate Assembly 10/23/18)

Section 3. Executive Committee. The Committee consists of the President, Executive Vice President, Vice President and Chief Financial Officer/Secretary.

Section 4. Elections for Statewide Officers and Directors.

- A. Statewide Officers – Term of Office: The statewide officers shall be elected at each Delegate Assembly by the delegates. Statewide officers shall be elected to three-year terms. (Resolution BGR 1/15, Delegate Assembly 10/13/15; Resolution Bylaws 1/3, Delegate Assembly 10/23/18)
  
- B. Board of Directors – Term of Office: The members of the Board of Directors that are not statewide officers shall be elected by the membership in their respective Districts. The Board of Directors shall be elected to three-year terms. The terms shall commence with installation at the first Board meeting after their respective elections and shall terminate following installation of their successors. (Resolution BGR 1/15, Delegate Assembly 10/13/15; Resolution Bylaws 1/3, Delegate Assembly 10/23/18)

Section 5. Prohibited Use of Corporate Funds. Corporate funds shall not be expended to support nominees for any elective or appointed office.

Section 6. Secret Ballot. Election of board members, officers and alternates shall be taken by secret ballot.

Section 7. Installation of Officers and Directors.

- A. Statewide officers shall be sworn into office at the meeting of the Delegate Assembly at which they are elected. (Resolution BGR 1/15, Delegate Assembly 10/13/15)
  
- B. Members of the Board of Directors shall be sworn into office at the first meeting of the year following their election to office. (Resolution BGR 1/15, Delegate Assembly 10/13/15)

Section 8. Meetings of the Board of Directors.

- A. Place of Meeting. Meetings of the Board shall be held at such places as the Board determines.

B. Quorum. A total of seven (7) Officers and Directors shall constitute a quorum for the transaction of business. (Resolution BGR 1/15, Delegate Assembly 10/13/15)

## **Article VI Officers**

Section 1. Officers. The Statewide officers of the Corporation (“officers”) shall be the President, an Executive Vice President, a Vice President, and a Chief Financial Officer/Secretary. Any active member in good standing shall be eligible to run for President, Executive Vice President, Vice President and Chief Financial Officer/Secretary.

Section 2. Election of Officers. The procedures for election of officers shall be established by the Board of Directors and are set forth in the Governing Rules.

Section 3. Resignation. Any officer may resign from office by giving written notice to the President, or in the case of the President, to the Executive Vice President. Such resignation will be effective when received unless it specifies a later date, in which case it shall take effect on that later date. A new officer shall be elected by provisions set forth in the Governing Rules.

Section 4. Vacancy. If the office of the President becomes vacant, the Executive Vice President shall assume the office of President. If the office of Executive Vice President, Vice President or Chief Financial Officer/Secretary becomes vacant, the vacancy shall be filled by the election procedure established in the Governing Rules.

## **Article VII Representatives to CSEA Board**

Representatives to the CSEA Board shall be the President, and the Chief Financial Officer/Secretary. To the extent consistent with CSEA Bylaws and California Corporate Code, in absence of the President or Chief Financial Officer/Secretary, the Board of Directors may appoint other CSR officers to the CSEA Board of Directors.

## **Article VIII Governing Rules**

The Board shall amend the rules, policies and procedures in a timely manner between sessions of the Delegate Assembly as required concerning the rights of members, governance and operation of the Corporation that shall be titled the “Governing Rules,” and other matters deemed appropriate by the Board. The Rules shall be incorporated into and be a part of the Bylaws,

provided however, that while the Delegate Assembly must approve amendments to the Bylaws, the Board shall have the power to amend the Rules without the consent of the members, the Delegate Assembly, or any class vote, subject only to the terms set forth in the Governing Rules. In addition, each person, as a condition to becoming a member of the Corporation (and thereafter remaining a member) hereby acknowledges and agrees (A) that the Board has the authority to implement amendments to the Rules without the consent of the members or the Delegates, and (B) that any amendments to the Rules shall be deemed not to materially and adversely affect the rights of any members (or class of members) or otherwise trigger member and/or delegate voting rights under California Corporations Code Section 7150.

## **Article IX Chapters**

Section 1. Chapter Officers. Chapter officers owe a fiduciary duty to the Corporation and their respective Chapters, and have the right to be indemnified by the Corporation under terms contained in these Bylaws.

Section 2. Definition. A "Chapter" is an organized group of members of the Corporation holding a valid and unrevoked charter from this Corporation.

Section 3. Duties. The duties, activities and functions of the Chapter are set forth in the Governing Rules of the Corporation.

Section 4. Jurisdiction of Chapters. A Chapter is a subdivision of the Corporation, and it exists to further the purposes of the Corporation. It shall be subject in all respects to the jurisdiction of the Corporation. It may not incorporate or otherwise organize as an entity other than an unincorporated subdivision of the Corporation. If necessary or advisable and in the interests of the Corporation, the Board of Directors may amend the charter of any Chapter for any reasonable purpose, adjust geographic boundaries, merge or divide chapters, remove the officers of the Chapter, and take such other action as may be required, in the discretion of the Board, to secure the best interest of the Corporation. The procedures for receivership of a Chapter are set forth in the Bylaws.

## **Article X Delegate Assembly**

Section 1. Delegate Assembly. The CSR President shall call a meeting of the Delegate Assembly as needed, but no less than once every three years. The date, time and place of such meeting shall be determined by the President with concurrence by the Board.

Section 2. Business. A Delegate Assembly is held for the purpose of doing the business of the corporation. Any activities not related to the business of the Corporation shall be held after the business meeting of the Delegate Assembly.

Section 3. Voting Rights Held By Delegate Assembly. All the voting rights of the active members, except those exercised in their respective Chapters, shall be delegated to, and exercised by and through, their duly elected delegates ("Delegates"). An assembly of delegates for the purpose of exercising the voting power of the members, and the group of Delegates elected for such purpose, are, either or both, referred to herein as the "Delegate Assembly." Those members elected to the Delegate Assembly shall also serve as Delegates to CSEA General Council. All matters requiring the approval of the members, or which may be acted upon by the members (except the election of Delegates and Alternates, Chapter Officers and other matters limited to their respective Chapters) shall be acted upon by such Delegate Assembly, with the same effect as though voted upon by all the voting members which such Delegates represent. All other rights and benefits of membership are reserved to the individual members themselves.

Section 4. Eligibility. Any active member in good standing of a Chapter who is eligible for membership in the Corporation may be nominated for and elected as a Delegate or Alternate from the Chapter. A duly elected Delegate who takes office as a Director of the Corporation will continue to serve as a Chapter Delegate until new delegates are elected.

Section 5. Membership Roll. The membership roll of delegates to the Delegate Assembly, limited to active members of the Corporation, is determined at each session, and consists of:

- A. Delegates and alternates elected by chapters. Each chapter shall be entitled to elect one delegate for each 200 members then belonging to such chapter or major fraction thereof. No chapter shall have fewer than three delegates. The member elected Chapter President shall serve as one of that chapter's delegates to Delegate Assembly and General Council. (Resolution BGR 5/15, Delegate Assembly 10/13/15)
- B. Members of the Board of Directors;
- C. Past state presidents who are members of California State Retirees;
- D. Past CSR Presidents. (Resolution BGR 12/15, Delegate Assembly 10/13/15)

Section 6. Delegate Expenses. The Corporation shall reimburse delegates for authorized expenses for attending meetings of the Delegate Assembly, serving on committees of the Delegate Assembly, performing other services requested by the Board of Directors or the President, and for attending General Council.

Section 7. Accreditation of Delegates. Before any official actions can be taken at any Delegate Assembly meeting, the accreditation of each Delegate and Alternate shall be established to the reasonable satisfaction of the Credentials Committee, subject to the review of the Board of Directors. The Board may establish rules and procedures to implement this section.

Section 8. Quorum and Voting. A quorum for the transaction of business at any meeting of the Delegate Assembly shall be a majority of all Delegates then in office. The vote required for approval of any proposal by the Delegate Assembly, except a vote to amend the Bylaws which shall require a two-thirds vote, shall be a majority of the Delegates present and voting at a meeting at which a quorum has been established. The Delegates present at a duly called and held meeting of the Delegate Assembly may continue to transact business until adjournment, even though Delegates have withdrawn to leave less than a quorum. Any action taken that is approved by at least the number of votes which would be sufficient for passage if a quorum were present shall be approved.

Section 9. Proxies Prohibited. Proxy votes are prohibited.

Section 10. Floor Privileges. Only Delegates of the Corporation may make or speak to motions on the floor of the Delegate Assembly, except that reports of any committee established by the Delegate Assembly, by the Board or by these Bylaws may be presented by the chairperson or other duly authorized member of the committee even if not a delegate. If permitted by the rules of the Delegate Assembly, other persons may address the meeting on matters of information not directed to a pending motion. Only Delegates may vote on any matter coming before the Delegate Assembly.

Section 11. Resolutions.

- A. Submission of Resolutions. Resolutions for the Delegate Assembly may be proposed in advance of Delegate Assembly sessions by 1. The Board of Directors; 2. A standing committee; or 3. any active member in good standing. (Resolution BGR 2/15, Delegate Assembly 10/13/15)
- B. Prior Notice. Proposals that require Delegate Assembly action resolutions must be submitted in writing, or by electronic means, to the Corporation Chief Financial Officer/Secretary at least 60 calendar days before the time

set for the meeting at which proposals are to be considered. The Board may determine, in its discretion, when and on what conditions to waive the advance notice requirement to permit consideration of matters deemed urgent.

- C. Form, Content, and Distribution of Resolutions. All proposals shall be in the form of a resolution, and shall propose only such action as the Corporation may lawfully take. The Board of Directors may make rules for the form, content and distribution of resolutions, the correction or deletion of material deemed to be in violation of these Bylaws or illegal, libelous, or otherwise likely to subject the Corporation to liability.
- D. Effective Date. All resolutions adopted by the Delegate Assembly shall become effective upon the adjournment of the Delegate Assembly at which adopted unless the resolution or a provision of the Bylaws or applicable law requires a later effective date.

Section 12. Rules. Meetings of the Delegate Assembly shall be governed by rules which shall be adopted as its first order of business. The rules adopted at the immediately preceding session of the Delegate Assembly shall continue in effect until new rules have been adopted. Any procedural questions not governed by such rules shall be governed by Roberts Rules of Order, latest edition. All such rules of procedure shall be subject to these Bylaws and applicable law.

Section 13. Committees of the Delegate Assembly. The Delegate Assembly may establish standing and ad hoc committees as it may deem advisable, to be constituted and to serve such term as the Delegate Assembly may determine. Unless the Delegate Assembly appoints the members of such committees, or specifies another method for their appointment, the President shall appoint the members and fill any vacancies which may occur on such committees. Committee action shall not have any effect until reported to and adopted by the Delegate Assembly or the Board of Directors. Committees shall report to the Board of Directors between sessions of the Delegate Assembly.

Section 14. Action by Mail Ballot. Except as limited by applicable law or by another provision of these Bylaws, any action that may be taken at any meeting of the Delegate Assembly may be by mail ballot.

Section 15. Solicitation of Mail Ballots. The Corporation shall mail ballots to each Delegate entitled to vote in the manner required by the Governing Rules for notice of meetings. The ballot shall indicate the number of responses needed to meet the quorum requirement, state the votes necessary to adopt the measure(s), and specify the date the ballot must be

received in the Corporate office to be counted. Each ballot shall set forth the proposed action, provide the Delegates an opportunity to specify approval or disapproval of each proposal, and provide a reasonable time in which to return the ballot to the Corporation.

Section 16. Number of Votes and Approvals Required. Adoption by mail ballot shall be valid only when:

- A. The number of votes cast (including those ballots that are marked "withheld" or "abstain" or otherwise indicate that authority to vote is withheld) by the date specified meets the quorum required to be present at a meeting authorizing the action; and
- B. The number of approvals equals or exceeds the number of votes that would be required for adoption at a meeting at which the total number of votes cast were the same as the number of votes cast by mail ballot.

Section 17. Retention of Ballots. All mail ballots shall be filed with the Chief Financial Officer/Secretary and maintained in the Corporate office records for at least three years.

## **Article XI Finance**

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

Section 2. The Budget.

- A. Adoption. The Corporation's fiscal affairs shall be managed pursuant to the three-year budget approved by the Delegate Assembly. At least 30 days prior to consideration of the budget at the Delegate Assembly, the Board of Directors shall mail to each Delegate, in the form of a resolution, a proposed budget for the next three fiscal years. The Delegate Assembly may make amendments to the proposed budget.
- B. Amendment. The Board of Directors may amend the current budget for any purpose.
- C. Exceeding Budget.

### 1. Exceeding the Budget.

No expenditure of the Corporate funds or other assets may be made or contracted for except in accordance with a budget duly adopted by the Board of Directors and ratified by the Delegate Assembly, except as



specifically authorized by the Delegate Assembly or in this Article. With the approval of the Board of Directors, the Corporation may incur and pay obligations in excess of those included in the budget if funding for such additional expenditures is provided either by: (1) dues or other revenues in excess of those anticipated by the budget; or (2) savings on other budgeted items. Amounts included as "reserves" in the budget may be used only with the approval of two-thirds of the Directors, and then only to cover obligations that were incurred involuntarily and must be paid to avoid legal liability for the Corporation.

## 2. Operations Reserve.

There is established a liquid asset account, at the same financial institution as the CSR operating account. This liquid asset account is to support the operating account at such time additional operating funds may be needed. The amount of funds in this liquid asset account shall be no less than one (1) month of dues revenue. The need of use (for operations only) of funds from this liquid asset account shall be presented to the Finance Committee and Board of Directors. After hearing recommendations from the Finance Committee, the Delegate Assembly or Board of Directors shall approve or disapprove the use by a two thirds vote. When funds are used they shall be returned to the liquid asset account beginning 30 days after withdrawal. (Resolution FIS 3/15, Delegate Assembly 10/13/15; Resolution FIS 4/4, Delegate Assembly 10/23/18)

- D. Automatic Amendment. If CSEA cannot or does not agree to provide all the services ordered by the Corporation pursuant to its budget, the budget shall be deemed automatically amended to authorize the Corporation to obtain replacement goods and services elsewhere on the best terms then reasonably available, and to pay the additional cost, if any, of obtaining such replacement goods and services. If, as a result of any action taken by the Association without the consent of the Corporation, the amounts which the Corporation is required to pay to the Association for indirect costs or other increases beyond the amount included in the Corporation's budget, the budget shall automatically be amended to authorize the payment of such greater amount.
- E. Application of Credits. The Corporation's credits with the Association for its positive fund balances as of the date it receives a charter from the Association, and any future credit balances with the Association or any other supplier, shall be treated as part of the Corporation's sources of funds for budget purposes, and applied to budget expenses as quickly as permitted by the Association or such other supplier.

Section 3. Borrowing. The Corporation may borrow money for Corporate purposes, on terms approved by the Board, only to the extent authorized by its current budget.

Section 4. Sequestration. Nothing contained in the budget can compel the Corporation to make any expenditure or loan of corporate funds or any lease or transfer of other corporate assets. If the Board of Directors determines that it is in the best interests of the Corporation to delay, limit or withhold any expenditure or loan of Corporate funds or any loan, lease or transfer of any of its assets, then it may sequester such funds or other assets for as long as it deems advisable. Sequestered assets may not be counted as a reduction in expenditures for purposes of reallocating budget items.

Section 5. Investment of Corporate Funds. Corporate funds in excess of those needed for current expenses shall be deposited in one or more accounts:

- A. Insured by the U.S. Government in depository institutions chartered by the U.S. Government or by the State of California, or invested in securities issued by, and backed by the full faith and credit of the U.S. Government or the State of California.
- B. Investment grade bonds, diversified mutual funds, exchange-traded funds, and listed stocks approved by the Board. No more than 10% of funds in excess of those needed for current expenses will be allocated by the Board to investments in listed stocks.

An investment committee of three members consisting of the CFO and two members knowledgeable in investments shall be appointed by the CSR President to make recommendations to the Board. (Resolution FIS 2/15, Delegate Assembly 10/13/15; Resolution FIS 3/4, Delegate Assembly 10/23/18)

## **Article XII Committees**

The Board shall establish committees as necessary which are set forth in the Governing Rules. Appointment to committees shall be made by the President subject to approval of the Board.

## **Article XIII Records and Reports**

The Corporation shall establish such records and reports as necessary which shall be set forth in the Governing Rules.

## **Article XIV Meetings**

### Section 1. Open Meetings.

- A. Except as set forth below, meetings and workshops of the Board of Directors, Delegate Assembly and Chapters at which the business of the corporation is discussed or acted upon shall be open to all members in good standing of the corporation, their spouses and guests.

### Section 2. Closed Meetings.

- A. A meeting may not be closed except for good cause and upon the vote of at least two—thirds of those entitled to vote at such meeting, and then only for that portion of the meeting necessary to achieve the purpose for which the meeting was closed.
- B. The minutes and records of any closed meeting shall set forth in detail the reasons for which members were excluded, and shall verify that no other matters were considered during the time the meeting was closed.

Section 3. Conference Call Meetings. The Board of Directors may meet by telephone or similar communication equipment, as long as all board members participating in the meeting can hear one another. Action by telephonic meetings shall meet the requirements set forth in applicable law. Only items listed on the printed agenda shall be considered and voted upon. Actions taken by the Board shall be reported to the membership at the next regularly scheduled meeting.

Section 4. Executive Sessions. An executive session held for the purpose of personnel matters, dealing with the purchase or sale of real property, granting of contracts, discussing actual or potential litigation and determining contributions to political candidates, shall include members of the Board and such other constituent persons as may be designated by the President. Executive sessions, when held as a part of a regular meeting, should be held prior to the time and place of the scheduled meeting, at the close of routine business on the last day of the regular meeting or scheduled for an announced time certain.

## **Article XV Receivership**

If necessary, in the discretion of the Corporation, to prevent waste or misappropriation of the assets of a Chapter, to reduce the risk of legal liability to the Corporation or for other reasons determined by the Board of Directors, in its discretion, the Corporation may assume direct responsibility for the conduct of the business and affairs of a Chapter. In such event, all the assets, records, and activities of the Chapter shall be managed and controlled by the duly authorized agents of the Corporation. The members and officers of the Chapter shall cooperate with such agents by turning all such items over to them, explaining all records and transactions as requested, and otherwise taking all actions necessary to permit efficient management of Chapter affairs by such agents. Receivership does not require prior notice, but as soon as reasonable after it is imposed, but not more than 60 days, the Corporation shall give the officers and members of the Chapter a hearing on the question of the removal of such receivership. Receivership shall continue as long as necessary to resolve the problems that made it necessary. All rights of the members of the Corporation shall be preserved during receivership, but they shall have rights with respect to the Chapter as may be allowed by the Board of Directors.

The Board of Directors shall have the right to establish rules to implement these provisions for the protection and benefit of the Corporation, its members and the members of the affected Chapter.

## **Article XVI Discipline**

Disciplinary actions are necessary to preserve the integrity of the Corporation. The Board of Directors shall establish disciplinary procedures as necessary which shall be set forth in the Governing Rules. (Resolution BGR 6/15, Delegate Assembly 10/13/15)

## **Article XVII Political Action**

The Corporation may take appropriate political action that is for the benefit of the members of the California State Retirees.

## **Article XVIII Assets**

The California State Retirees' ownership, legal or equitable, in all properties and monies or other tangible or intangible property succeeds to and retains

its proportional interest in ownership legal and equitable in all properties now in its possession, and any assets later acquired.

## **Article XIX Jurisdiction**

The jurisdiction of the California State Retirees shall be all persons retired from state service under provisions of the public employees' retirement system and who continue to be retired from state service, those persons who are either beneficiaries of a deceased person who was an active member at the time of death, or spouse of active members. No division or affiliate of the Association or any organization or group, with which the Association is or may be affiliated, shall have the right to recruit or organize those persons within the jurisdiction of California State Retirees.

## **Article XX Indemnification**

Section 1. Right of Indemnity. As stated herein, the Corporation shall hold harmless and indemnify its Directors, Officers, subordinate officers, committee members, employees, and other persons described in Section 7237(a) of the California Corporations Code including persons formerly occupying any such positions (all referred to in the article as "agents"), against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, including an action by or in the right of the Corporation, by reason of the fact that the person is or was an "agent" of the Corporation, as defined above. "Expenses" as used in this article, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 2. Approval of Indemnity. On written request to the Board of Directors by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 7237(d) of the Corporations Code. Otherwise, the Board shall promptly determine, by majority vote of a quorum consisting of Directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 7237(c), and, if so, shall authorize indemnification to the extent permitted by law. If the Board cannot do so because there is no quorum of Directors who are not party to the proceeding for which indemnification is sought, the Board shall promptly call a meeting of the Chapter Presidents. At that meeting the Chapter Presidents shall determine whether, in the specific case, the applicable standard of conduct stated in

such section has been met, and, if so, the Chapter Presidents shall authorize indemnification to the extent permitted thereby.

Section 3. Advancement of Expenses. To the fullest extent permitted by law and except where otherwise determined by the Board, or the Chapter Presidents, in a specific instance, expenses incurred by a person seeking indemnification under this Article in defending any proceeding covered hereby shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

Section 4. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its agents, defined as Directors, officers, subordinate officers, committee members, employees and other authorized persons deemed eligible, against any liability asserted against or incurred by any such person in such capacity or arising out of the status of such agent of the Corporation.

## **Article XXI Amendments to Bylaws**

Section 1. Amendment by the Delegate Assembly. These Bylaws may be amended, or new Bylaws adopted, by vote or written consent of two-thirds (2/3) of the Delegates present and voting at any duly called, noticed and held meeting of the Delegate Assembly at which a quorum is present, provided advance notice of the proposed amendment has been given to the Delegates at least 30 days before the meeting is held. The notice shall include the text of the proposed amendment, and shall be mailed or otherwise given to each Delegate in the manner required for giving notice of special meetings of the Delegate Assembly.

Section 2. Amendment by Mail Ballot.

A. Procedure. When the Delegate Assembly is not in session, an amendment can only be initiated by resolution of the Board of Directors. A resolution from a member, group of members or other subunit of the corporation shall not be accepted. The Board shall inform the members of the Delegate Assembly of the proposed amendment and designate a person to write an explanation. The proposed amendment(s) must be mailed to the members of the Delegate Assembly and shall include explanations and shall notify the members that they have the right to submit supporting and opposing arguments.

- (1) Supporting and opposing arguments, if received at Corporation office within 20 days from the date the Board of Directors mailed or published information to members of the proposed amendment(s), shall be reproduced and mailed with the ballots.
- (2) Thirty days from the date of mailing or publication of information Corporate office staff will mail ballots to members, mailing all the ballots on the same day.
- (3) The Board of Directors shall fix a time and place for opening and tallying of ballots and for the announcement of the vote.

B. Mailing of Ballots and Approval Requirements. The amendment(s) contained in the resolution of the Board of Directors is affirmed and adopted if two-thirds of those returned are in the affirmative, provided two-thirds of the ballots mailed must be returned to constitute a quorum for the vote. To facilitate such expression, the Corporation's office staff shall mail to the members of the Delegate Assembly appropriate ballot forms, together with the pros and cons of the issue at hand.

C. Canvassing of Ballots. The Executive Vice President at a time and place designated by the Board of Directors, in the presence of one or more witnesses, shall canvass the ballots which are returned. To be counted, the ballots must be marked and received in Corporate office within 30 days of mailing of ballots.

Section 3. Ratification of Mail Ballots. Amendments adopted pursuant to a mail ballot must be ratified within 90 days by a majority of the chapters, such time to commence running from the day the proposed amendment(s) is transmitted from Corporate office to the chapters. Failure of a chapter to return its ballot constitutes an affirmative vote.

Section 4. Effective Date. Amendments adopted when the Delegate Assembly is not in session becomes effective upon the 90th day following the date of the mailing of the ballots, or upon tally and certification of the requisite number of affirmative votes, whichever is earlier, unless a majority of negative votes is received on or before the 90th day in which case the amendment(s) is rejected.

Section 5. Record of Amendments. Complete records shall be kept of all amendments for at least five years after the effective date, including the Bylaws as they existed before each amendment, the exact text of each amendment, and the Bylaws as amended. In the discretion of the Board of Directors, these Bylaws may be restated in their entirety to incorporate extensive amendments, or the amendments may be endorsed upon the

existing Bylaws and signed in the margin by the Chief Financial Officer/Secretary. In any event, the Chief Financial Officer/Secretary shall ensure that these Bylaws accurately and completely incorporate all amendments to date, and shall certify that the Bylaws, as amended, are the true and complete Bylaws of the Corporation.

Section 6. Cross Reference. Each reference to any article shall include a reference to each and every section, subsection and other subordinate part; and each reference to a section or subsection shall include a reference to each and every subsection and other subordinate part thereof.

## **Article XXII Parliamentary Authority**

Section 1. Supremacy. These Bylaws shall be the supreme law of the Corporation, subject only to the Articles of Incorporation and provisions of the law of the State of California and the United States of America. Any inconsistent provision of the Governing Rules or contrary act of the Delegate Assembly, Board of Directors, officers or agents of the Corporation is void. The Board shall have authority and power to reasonably interpret the Articles of Incorporation, Bylaws and Governing Rules to resolve actual or perceived ambiguities between the documents, as it reasonably determines.

Section 2. Parliamentary Authority. The Articles of Incorporation, Bylaws, Governing Rules and Roberts' Rules of Order, latest edition, in that order is the authority governing proceedings in meetings and conferences of the Corporation, so far as they are not in conflict with corporate law, these Bylaws and the Governing Rules.

Section 3. Conflicts. Any conflicts between the Corporation's governing documents shall be interpreted in the following order of preference Articles of Incorporation the Bylaws and then the Governing Rules. The Board shall have the authority and power to reasonably interpret the Governing Rules, Bylaws and Articles of Incorporation, and resolve actual or perceived ambiguities between the documents, as it reasonably determines.