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ACTION NETWORK
A California Public Benefit Nonprofit Corporation

BYLAWS

SECTION 1. NAME

- 1.1. Corporation Name. The name of this nonprofit, public-benefit Corporation is Action Network.

SECTION 2. PRINCIPAL OFFICE

- 2.1. Principal Office Location. The principal office for the transaction of the activities and affairs of this Corporation is located at 39144 Ocean Drive, Gualala, CA, 95445.
- 2.2. Change of Principal Office. The Board of Directors may change the location of the principal office and such change shall amend these Bylaws. The principal office of this Corporation shall be located at all times to within the bi-county region of Coastal and ridge communities spanning the Counties of Mendocino and Sonoma, California from Fort Ross to Elk.

SECTION 3. PURPOSES OF THE CORPORATION

- 3.1. Primary Purpose. The primary purpose of this nonprofit, public-benefit Corporation is to build a thriving, healthy, drug-free community by strengthening families, implementing prevention strategies, and promoting collaboration.
- 3.2. Our Mission. To support a caring community that nurtures one another across ages and cultures, and creates a peaceful, healthy environment that empowers families, youth, and children.
- 3.3. Corporate Limitations. This Corporation is organized for charitable purposes within the meaning of the Internal Revenue Code Section 501(c)(3) and is not organized for the private gain of any person or entity. Despite any other Bylaws provision, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the charitable purposes of this Corporation, and this Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Internal Revenue Code section 501(c)(3) or a corporation, contributions to which are deductible under Internal Revenue Code Section 170(c)(3).

- 3.4. Corporate Activities. In furtherance of these public and charitable purposes, this Corporation may conduct the following activities:
- a. conduct fund raising activities to support its public and charitable activities;
 - b. solicit donations of supplies, equipment, and materials to support its public and charitable activities;
 - c. seek and secure public funds, foundation grants, corporate and individual donations, and charitable gifts, all of which are to be used to carry out the public and charitable purposes and activities of this Corporation, and;
 - d. conduct, operate, and engage in any other activities currently permitted, and as may be permitted in the future, by the California Nonprofit Corporation Law and the Internal Revenue Service of the United States.
- 3.5. Corporate Lobbying. No substantial part of the activities of this Corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided by Internal Revenue Service 501(h); nor shall this Corporation participate or intervene in any political campaign on behalf of any candidate for office, including publishing or distributing statements.

SECTION 4. DEDICATION OF ASSETS

- 4.1. Irrevocable Dedication. The assets of this Corporation are irrevocably dedicated to public benefit and charitable purposes. No part of the earnings, properties, or assets of this Corporation—on dissolution, distribution, or otherwise—shall inure to the benefit of any private person or individual, or to any Director, officer, or agent of this Corporation. On liquidation or dissolution, all properties and 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 that is organized and operated exclusively for charitable purposes and qualified as an exempt organization under Internal Revenue Code Section 501(c)(3) and Revenue and Taxation Code Section 23701(d) or the corresponding section of any future California revenue and/or tax law.

SECTION 5. NON-MEMBERSHIP ORGANIZATION

- 5.1. Non-Membership Organization. This Corporation shall have non-voting members within the meaning of the Nonprofit Corporation Law of the State of California. Any references to members by these Bylaws, refers to the Directors of this Corporation.
- 5.2. Community Residents and Volunteers. Participation in program activities of this Corporation shall be open to all community residents within the Coastal area as set forth in these Bylaws in Section 2. PRINCIPAL OFFICE, 2.2

Change of Principal Office. This Corporation shall seek the assistance of community residents to serve as volunteers for many of the community activities in an effort to serve the needs of the larger community.

SECTION 6. NON-AFFILIATION

- 6.1. Independent Organization. This Corporation is an independent, nonprofit corporation. All of its authority, powers, and duties are to be exercised and discharged solely by the Board of Directors of this Corporation.

SECTION 7. BOARD OF DIRECTORS

- 7.1. Number of Directors. This Corporation shall have a Board of Directors comprised of not less than four (4) nor more than eleven (11) Directors (known as the "Board" herein) in whom shall be vested all powers and authority as may be permitted under the Nonprofit Corporation Law of the State of California for public benefit corporations. The number of Directors may be changed by a vote of two-thirds (2/3) of the Directors of the Board. However, no change in the number of Directors may be made that would eliminate a Director's position prior to the expiration of his/her term on the Board or to eliminate a directorship for a designated Director. In the event the Board increases or decreases the number of Directors within the permitted number of Directors, the Board shall endeavor to maintain an uneven number of Directors.

Directors shall serve for a term of two (2) years. Directors may serve multiple terms.

- 7.2. Directors' Power and Authority. Subject to the provisions and limitations of the California Nonprofit Benefit Corporation Law and any other applicable State and Federal laws, and further subject to any limitations in the Articles of Incorporation or these Bylaws, this Corporation's activities and affairs shall be managed, directed, and all final Corporate policy decisions shall be exercised solely by or under the direction of the Board.

- 7.3. General Powers. Without prejudice to the general powers set forth in these Bylaws, but not subject to any limitation therein, the Board shall have the power to:

- a. appoint and remove, at the pleasure of the Board, all Corporate officers, agents and, employees; prescribe powers and duties for each of them as are consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation, and; require from them security for faithful service;
- b. change this Corporation's principal office from one location to another as set forth in these Bylaws in Section 2. PRINCIPAL OFFICE, 2.2.

- Change of Principal Office; and designate a place in or outside the State of California to conduct any meeting of the Board, and;
- c. borrow money and incur indebtedness on this Corporation's behalf and cause to be executed and delivered for this Corporation's purposes, in this Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and/or security.
- 7.4. Emergency Powers. The Executive Committee shall hold emergency powers to meet and/or confer and to take action in the interim between Regular Board meetings. Any action must be reported at the next Regular Board meeting.
- 7.5. Interested Directors. No more than one-third (1/3) of the persons serving on the Board may be "interested persons". An interested person is:
- a. 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, excluding reasonable compensation paid to a Director as a Director on the Board, and;
 - b. any brother, sister, ancestor, descendent, spouse, brother- or sister-in-law, son- or daughter-in-law, mother- or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by this Corporation.
- 7.6. Election of Directors. The appropriate number of Directors shall be designated and elected at the conclusion of each Annual meeting. However, if Directors are not designated or elected at an Annual meeting, they may be designated or elected at any Regular or Special meeting of the Board held for that purpose or by written ballot. Each Director, including a Director elected to fill a vacancy or elected at a Special Board meeting or by written ballot, shall hold office until expiration of the term for which (s)he was elected and until their successor is elected and qualified.
- 7.7. Qualifications of Directors. There shall be no specific qualifications for the Board of Directors other than a commitment and ability to support the public and charitable activities of this Corporation. The initial election to the Board of Directors must be by majority vote of the Directors presiding at the time of the candidate's nomination. A Director should reside within the service area of Action Network as set forth in these Bylaws in Section 2. PRINCIPAL OFFICE, 2.2. Change of Principal Office.
- 7.8. Board Vacancies. A vacancy or vacancies on the Board shall occur in the event of the:
- a. death or resignation of any Director;

- b. declaration by resolution of the Board of a vacancy in the office of a Director convicted of a felony, declared of unsound mind by court order, or found by final order of judgment of any court to have breached a duty under the Nonprofit Public Benefit Corporation Law of the State of California;
 - c. vote of the majority of the Board to remove a Director;
 - d. increase in the authorized number of Directors, or;
 - e. failure of the Board to elect the number of Directors required to be elected at an Annual or Special meeting of the Board.
- 7.9. Resignation. Except as provided below, any Director may resign by giving written notice to the Chairman or Secretary of the Board. The resignation shall be effective when the notice is given or at the date specified in the written notice. If a Director's resignation is effective at a later date, the Board may elect a successor to take office as of the effective date of the resignation. Except on notice to the Attorney General of the State of California, no Director may resign if this Corporation would be left without a duly-elected Director.
- 7.10. Removal of a Director. All Directors serve at the pleasure of the Board. Any Director elected by the Board may be removed from the Board by a vote of the **majority** of the Directors of the Board, with or without cause.
- 7.11. Election of Officers. Officers shall be elected annually by the Board from current Directors and each shall hold office for a period of one (1) year and until his or her successor shall have been duly elected and qualified, or until (s)he shall resign, or until (s)he shall have been removed as set forth in these Bylaws in Section 7.BOARD OF DIRECTORS, 7.10. Removal of a Director.
- 7.12. Vacancies Filled by the Board. Vacancies on the Board (Directors or Officers) may be filled by approval of the **majority** of the Board, or, if the number of Directors then in office is less than a quorum, by:
- a. the unanimous written consent of the officers then in office;
 - b. the affirmative vote of a **majority** of the Directors then in office at a duly held meeting, or;
 - c. a sole remaining Director.
- 7.13. Compensation and Reimbursement of Directors. Directors may receive such compensation, if any, for their services as Directors or officers of this Corporation, and such reimbursement for expenses, as the Board may establish by resolution to be just and reasonable for this Corporation at the time that such resolution is adopted.

SECTION 8. MEETINGS OF THE BOARD OF DIRECTORS

- 8.1. Location of Board Meetings. Meetings of the Board are generally held at the principal office. However, Board meetings may be held at any place within or outside the State of California that has been designated by resolution of the Board.
- 8.2. Meetings by Telecommunications. With the exception of the Annual meeting of the Board, any other meeting of the Board may be held by conference telephone, video screen communication, or other communications equipment or media. Participation in such meeting shall constitute presence in person at the meeting if all the following apply:
- a. each Director participating in the meeting can communicate concurrently with all the other Directors;
 - b. each Director is provided the means of participating in all matters before the Board, including the capacity to propose or interpose an objection to a specific action to be taken by this Corporation, and;
 - c. the Directors at the base site will verify by voice recognition both of the following:
 - i. the person communicating by telecommunications is a Director entitled to participate in the Board meeting; and
 - ii. all statements, questions, actions, or votes were made by that Director and not by another person who is not a qualified Director of this Corporation.
- 8.3 Regular Meetings.
- a. Monthly Meetings. Unless otherwise indicated by resolution of the Board, Regular meetings of the Board shall be held monthly or at least 10 times per year. Meetings shall be held at a regular place and time as fixed by the Board at a prior meeting of the Board, unless otherwise indicated by written, e-mailed, telephonic, or other media notice given to each Director by the Secretary or presiding officer of this Corporation.
 - b. Annual Meetings. The January meeting of the Board shall also be considered the Annual meeting during which the Board shall elect the sufficient number of Directors and officers to fill the expiring terms and vacancies. The Board may change the Annual meeting date to an alternate date and place of their choosing with a majority vote of Board Members.
 - c. Special Meetings. Special meetings of the Board may be called at any time by the Chair, the Secretary, or any two (2) Directors with at least four (4) day's prior notice.

8.4. Meeting Notices. Notices of Regular or Annual Board meetings should be transmitted to all Directors at least seventy-two (72) hours prior to the meeting date. All such notices shall be given or sent to each Director's address, telephone number, or electronic communications receptacle/receiver as shown on the records of this Corporation. It shall be the responsibility of Directors to maintain their respective addresses, telephone number, and/or electronic communications receptacle/receiver at all times.

8.5. Quorum. Four (4) authorized Directors shall constitute a quorum to transact any business of this Corporation except adjournment. Actions taken or decisions made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be an act of the Board. However, the more stringent voting requirements of two-thirds (2/3) vote of all the Directors will be required, unless otherwise provided by the California Nonprofit Public Benefit Corporation Law, for the following matters, and such others as the Board of Directors may include, such as:

- a. approval of contracts or transactions in which a Director has direct or indirect material financial interest;
- b. approval of certain transactions between this Corporation and others having common directorships;
- c. indemnification of Directors.

A meeting at which a quorum is initially present may continue to transact business of this Corporation despite the withdrawal of some Directors, provided that any action taken or decision made is approved by at least a majority of the required quorum for that meeting or the two-thirds (2/3) vote as required for certain other Board actions or decisions.

8.6. Adjournment. A majority of the Directors present, with or without a quorum, may adjourn any meeting to another time and place.

Notice of time and place of holding an adjourned meeting need not be given unless such meeting is adjourned for more than twenty-four (24) hours. If any meeting is adjourned for more than twenty-four (24) hours or the meeting place is changed, notice of the new time and/or place must be given to those Directors who were not present at the time of adjournment.

8.7. Action Without a Meeting. Board actions or decisions may be taken or made without a meeting if all Directors consent to such action or decision in writing. However, the consent of any Director who has a material financial interest in a transaction to which this Corporation is part and who is an "interested Director" as defined by the California Corporations Code and as set forth in these Bylaws in Section 7. BOARD OF DIRECTORS, 7.5. Interested Directors, shall not be required for approval of any such transaction. Any actions by written consent shall have the same force and effect as any other validly-approved Board

action. All such consents shall be reported at the next Regular Board meeting and made part of the minutes of that meeting.

SECTION 9. COMMITTEES OF THE BOARD OF DIRECTORS

- 9.1. Creation and Powers of Committees. The Board may create one or more Board committees by resolution adopted by a majority of the Directors then in office, each consisting of one or more Directors. The Board Chair shall appoint the Chairperson of each committee. The Committee Chairperson shall submit a list of committee members to the Board. Board committees shall have such authority as the Board may authorize by resolution of the Board, except that no committee shall:
- a. take any final action on any matter that requires approval of the Board either set forth by these Bylaws or the California Nonprofit Public Benefit Corporation Law;
 - b. fill vacancies of the Board;
 - c. fix compensation of Directors for serving on the Board;
 - d. amend or repeal Bylaw provisions or adopt new Bylaws;
 - e. amend or repeal any resolution of the Board;
 - f. create any other committee or committees of the Board;
 - g. expend Corporate funds to support a nominee for Director if more candidates have been nominated for Director than can be elected;
 - h. approve any contract or transactions not already covered by a contract to which this Corporation is a party, particularly one in which one or more of its Directors has a material financial interest, except as special approval is provided for in the California Corporations Code, and/or;
 - i. with respect to any assets held in charitable trust, approve any contract between this Corporation and one or more of its Directors, or between this Corporation and any entity in which one or more of its Directors have a material financial interest, subject to the approval provisions of the California Corporations Code.
- 9.2 Meetings and Actions of Committees. Meetings and committee actions shall be governed by the provisions of these Bylaws concerning meetings and other Board actions, except that the time for Regular or Special meetings of such committees may be set by resolution of the Board or, if none, by resolution of such committees. Regular meetings of Board committees should be held in accordance with the schedule established by each committee. Minutes shall be taken at each committee meeting and it will be the responsibility of each Committee Chair to provide a copy of those minutes for inclusion in the next Board Meeting minutes. The Board may adopt rules for governance provided that they are not inconsistent with these Bylaws and any rules adopted by the Board.

- 9.3 Standing Committees. The Executive Committee shall be the standing committee of the Board. A Finance Committee or Personnel Committee shall be formed as required.
- a. Executive Committee. The Executive Committee shall be comprised of the Chair/CEO, Vice Chair, Secretary, and Treasurer of the Board. This committee shall undertake the responsibilities to:
 - i. Review and approve the processes for the preparation of this Corporation's financial statements, budgets, and operating projections.
 - ii. Review and approve tax returns to the various taxing authorities.
 - iii. Review potential new board members and make recommendations to the Board.
 - iv. Cause to be prepared and approve personnel policies for this Corporation.
 - v. Establish the position description of the Executive Director of the organization.
 - vi. Conduct the performance evaluation of the Executive Director of the organization predicated on a survey and/or input from the entire Board and perhaps other stakeholders.
- 9.4. Advisory Committees. Advisory committees may be formed to advise the Board on various areas of service, so long as they are exclusively composed of:
- a. officers and employees of this Corporation;
 - b. people with relevant professional expertise, e.g., attorneys, teachers, accountants, counselors, and/or;
 - c. other Directors.

SECTION 10. CORPORATE OFFICERS

- 10.1. Officers. The officers of this Corporation are the Chair who shall also be designated as the Chief Executive Officer ("CEO" herein), the Vice-Chair, a Secretary, and a Treasurer, who shall also be designated the Chief Financial Officer ("CFO" herein). No officer may serve in more than one (1) of the Corporate offices at any one given time. The Board may authorize the Chair to appoint any other officer or officers from qualified Directors of the Board that this Corporation may require from time to time, such as a Recording Secretary or Assistant Treasurer. Each such appointed officer shall have the title and authority, hold office for the period prescribed, and perform the duties set forth in these Bylaws or established by the Board.

10.2. Chair/CEO. The Chair/CEO is subject to the control of the Board, and shall:

- a. oversee, direct, and control this Corporation's activities, affairs, and officers;
- b. preside at all Board and Executive Committee meetings;
- c. exercise and perform such other powers and duties as the Board may assign from time to time;
- d. serve as an ex-officio member of all Board committees;
- e. vote at Board of Directors and Executive Committee meetings;
- f. have the power to appoint the Chairperson and members of all committees, and;
- g. excuse any absences of Directors.

10.3. Vice-Chair. In the absence of the designated CEO, the Vice-Chair shall exercise and perform the duties of the Chair/CEO, including:

- a. oversee, direct, and control this Corporation's activities, affairs, and officers;
- b. preside at all Board and Executive Committee meetings;
- c. exercise and perform such other powers and duties as the Board may assign from time to time;
- d. serve as an ex-officio member of all Board committees;
- e. vote at Board of Directors and Executive Committee meetings;
- f. have the power to appoint the Chairperson and members of all committees, and;
- g. excuse any absences of Directors.

10.4. Secretary. The Secretary shall:

- a. cause to be kept at this Corporation's principal office a book of minutes of all meetings, proceedings, actions, and decisions of the Board and its committees. The minutes of such meetings shall also include the time and place of each meeting, whether they were Regular, Special, or Annual meetings, the method and contents of notices of such meetings, and the names of Directors and guests present.
- b. cause to be kept at the principal office of this Corporation, a copy of the Articles of Incorporation and Bylaws, as amended to date, and secure the Corporate seal in safe custody at the principal office of this Corporation. The Secretary shall also cause to be kept current, the names, addresses, telephone numbers, and other telecommunication media information for each Director and officer of this Corporation.
- c. have such other powers and duties as the Board or these Bylaws may designate.

- 10.5. Treasurer. The Treasurer shall:
- a. review and approve the processes for keeping and maintaining adequate and correct books and accounts of this Corporation's assets, properties—tangible and/or intangible—and transactions. The books of the account of this Corporation shall be open to inspection by any Director during normal business hours with reasonable notice to inspect.
 - b. Review and approve signature authorities and expenditure limitations.
 - c. have such other powers and duties as the Board or these Bylaws may designate from time to time.
- 10.6. Executive Director. This Corporation shall employ an executive to be in charge of day-to-day activities of this Corporation. The Executive Director shall have such powers and perform such duties as may be prescribed by the Board and perform such duties as may be set forth in this Corporation's position description and/or employment contract, by resolution of the Board, and/or as may be directed by the CEO/Chair. The Executive Director shall not be a member of the Board, but shall be required to participate in all Regular, Special, and Annual meetings of the Board. The Executive Director's duties include:
- a. oversee and respond to the general day-to-day activities and affairs of this Corporation;
 - b. oversee the documentation of financial transactions of this Corporation;
 - c. oversee the preparation of this Corporation's financial statements, budgets, and operating projections;
 - d. oversee and monitor the services of this Corporation's outside accounting and auditing firms;
 - e. coordinate and report to the Board on a regular basis the annual, year-end financial condition of this Corporation;
 - f. cause to be prepared and filed in a timely manner, information reports and tax returns to the various taxing authorities;
 - g. send or cause to be given to each Director such financial statements and reports as are required to be given by law or by the Board;
 - h. cause to be deposited and/or oversee the deposit of all money and other valuables in the name and credit of this Corporation;
 - i. cause this Corporation's funds to be disbursed as may be required for the normal day-to-day operations and as may be Directed by the Board;
 - j. develop and maintain accounting procedures including but not limited to outlining signature authorities and expenditure limitations;
 - k. secure approval from the Executive Committee for any expenditure or contract agreement of over ten thousand (\$10,000) dollars or as one of several transactions with the same interested person amounting, in the aggregate, to more than ten thousand (\$10,000) dollars;
 - l. secure approval from the Board before accepting any donation of a capital asset with plan to sell (e.g. car, motorhome, etc.), and;
 - m. conduct annual performance reviews for all employees.

- 10.7. Contracts with Directors and Officers. No Director of this Corporation or any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors are Directors or have a material financial interest shall be interested, directly or indirectly, in any contract or transaction, unless:
- a. the material facts regarding that Director's financial interest in such contract or transaction or regarding such common directorship, officer's position, or financial interest are fully disclosed in good faith and noted in this Corporation's minutes, or such facts are known to all Board Directors prior to the Board's consideration of such contract or transaction;
 - b. such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of the interested Director or Directors;
 - c. before authorizing or approving the contract or transaction, the Board considers, and after reasonable investigation and in good faith decides, that this Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances, and;
 - d. this Corporation, for its own benefit, enters into the contract or transaction which is fair and reasonable to this Corporation when the contract or transaction is entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of this Corporation if it:

- a. is approved or authorized by this Corporation in good faith and without unjustified favoritism, and;
- b. results in a benefit to one or more Directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

10.8. Loans to Directors and Officers. This Corporation shall not lend any money or property or guarantee the obligation of any Director. However, this Corporation may advance money to a Director or officer of this Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or officer would be entitled to reimbursement for such expenses by this Corporation.

10.9. Indemnification. To the fullest extent permitted by law, this Corporation may indemnify its Directors, officers, employees, agents, and other persons described in the California Corporations Code, including persons formerly occupying such positions, 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 said Code, by reason of the fact that

the person is or was a person described in said Code. "Expenses," as used in these Bylaws, shall have the same meaning as in said Code.

On written request to the Board by a person seeking indemnification under the California Corporations Code, the Board shall promptly decide whether the applicable standard of conduct set forth in said Code has been met and, if so, the Board shall authorize the expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by this Corporation before final disposition of the proceeding, on this Corporation's receipt of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by this Corporation for those expenses.

- 10.10. Insurance. This Corporation shall purchase and maintain insurance to the full extent permitted by law on behalf of its Directors, officers, employees, and agents to cover any liability asserted against or incurred by any Director, officer, employee, or agent in such capacity or arising from such Director's, officer's, employee's, or agent's status.

SECTION 11. CORPORATE RECORDS

- 11.1 Corporate Records. This Corporation shall keep and maintain:

- a. adequate and correct books and records of account;
- b. written minutes of the proceedings of its Board and Board committees, and;
- c. record of each Director's and officer's name, address, telephone number, and telecommunications contact information.

- 11.2. Inspection Rights. Upon written demand, every Director shall have the absolute right at any reasonable time during this Corporation's normal business hours, to inspect this Corporation's books, records, documents of every kind, properties—tangible and intangible—, and the records of each subsidiary, if any. This right of inspection may be made in person or by the Director's agent or attorney. The right to make copies and extracts of documents must be reasonably related to the Director's interest and role as a Director of this Corporation.

Upon receipt of such a written demand by a Director, the Board of Directors shall schedule an opportunity for the Director to conduct his or her inspection within ten (10) business days from the date of receipt of the demand.

- 11.3. Annual Financial Report. The Board shall cause an Annual Financial Report to be prepared and sent to each Director within ninety (90) days after the end of this Corporation's fiscal year that begins July 1 and ends June 31. This report shall contain the following information:

- a. the assets and liabilities of this Corporation including all trust funds, as of the end of each fiscal year;
- b. the principal changes in the assets, liabilities, and trust funds;
- c. this Corporation's expenses and/or disbursements for both general and restricted purposes;
- d. any information required by these Bylaws, and the annual information required by the U.S. Internal Revenue Service and the California Franchise Tax Board;
- e. any transaction in which:
 - i. this Corporation was a party with an "interested person" who had a direct or indirect material financial interest;
 - ii. involves more than ten thousand (\$10,000) dollars or was one of several transactions with the same interested person amounting, in the aggregate, to more than ten thousand (\$10,000) dollars, and;
 - iii. any indemnification or advance aggregating more than ten thousand (\$10,000) dollars paid during the fiscal year to any Director, officer, employee, or agent of this Corporation, unless that indemnification was already approved by the Board pursuant to the California Corporations Code.

With the exception of information regarding transactions with an "interested person", the requirement to prepare and distribute an annual report may be dispensed with by the Board of Directors if this Corporation receives less than \$25,000 in gross receipts, supplies, equipment, or materials during the fiscal year. However, the information to be included in the annual report must be furnished annually to all Directors upon the written request of any member of the Board of Directors.

- 11.4 Ownership of Corporate Records. The minutes, books, records, documents, files other written instruments, and all other forms of communication media prepared in connection with the business and affairs of this Corporation are the sole and exclusive property of this Corporation. Upon the expiration or termination of any term of any officer, Director, or employee, or upon the resignation of any officer, Director or, employee, all such items in their possession must be returned to this Corporation within seventy-two (72) hours of the expiration, termination, or resignation of any such officer, Director, or employee.

SECTION 12. DISSOLUTION OF THE CORPORATION

- 12.1. Act of Dissolution: If the majority of the Board of Directors finds that this Corporation can no longer fulfill its mission, objectives, and/or goals as set forth in these Bylaws in Section 3. PURPOSE OF THE CORPORATION, 3.1 Primary Purposes, this Corporation may be dissolved in the following ways by:

- a. the unanimous consent of the Directors then in office;
 - b. the affirmative vote at a Board meeting of a majority of the Directors then in office;
 - c. a small group of Directors who agreed to oversee the dissolution process even if that Board lacks enough Directors to make up a quorum, but only if the dissolution has already been authorized by approval of the full Board, and;
 - d. the vote of a sole remaining Director.
12. 2. Distribution of Assets: Any assets remaining after the dissolution of this Corporation will be distributed according to the mandates set forth in these Bylaws in Section 4. DEDICATION OF ASSETS, 4. 1. Irrevocable Dedication.

CERTIFICATE OF INCORPORATOR

The undersigned certifies that they are the incorporators of ACTION NETWORK, a California Nonprofit Public Benefit Corporation, that these Bylaws, consisting of seventeen (17) pages, are the Bylaws of this Corporation as Amended.

Executed on the _____ day of _____ 2020 at Gualala, California

Chris Wall, Incorporator

Andrea Phillips, Incorporator

Mary Moberg, Incorporator

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