

# **Bylaws of the (NAME)**

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## **Article 1. Name and Principal Office**

**Section 1.1. Name.** The name of this corporation is (NAME), Inc. (hereinafter referred to as the "Corporation").

**Section 1.2. Principal Office.** The principal office for the transaction of the activities, affairs and business of the Corporation shall be located at 1129 10th Street, Sacramento, California 95814.

**Section 1.3. Other Offices.** The Corporation may from time to time establish branch or subordinate offices at any place or places where it is qualified to conduct its activities.

## **Article 2. Purposes**

**Section 2.1. Purposes of the Corporation.** The principal purpose of the Corporation is to further the interests of its members in connection with their service to the people of the State of California. It shall have all the purposes of the California State Employees' Association (CSEA), of which its active members are also members, and the additional purposes set forth in this article. Without limiting the generality of the foregoing, the specific purposes of the Corporation include the following:

- (a) To encourage the development and maintenance of high standards of professionalism in university employment;
- (b) To promote the welfare of its members in connection with their employment, including without limitation, representation before the Legislature, in courts and in negotiations over wages, hours and terms and conditions of employment.

(c) To foster acquaintanceship, cooperation, efficiency and harmony among its members, and to serve as a forum for communications among them about matters within the scope of the Corporation's purposes.

(d) To advocate and promote effective education and the advancement of the public interest.

(e) To support and assist its members in the development of their skills in the advancement of their careers.

(f) To represent the interests of its members within CSEA.

**Authority of Charter 2.2.** "This corporation has been chartered by authority of California State Employees Association, a California non-profit mutual benefit corporation ('CSEA'). If such charter is surrendered to, taken away, or revoked by CSEA, this corporation shall thereupon dissolve. If this corporation is dissolved for such reason or for any other reason or cause whatsoever, all of its assets, after compliance with the applicable provisions of Chapters 15, 16, and 17 of the California Non-Profit Mutual Benefit Corporation Law, shall be distributed to CSEA. The foregoing provisions may not be amended without the written consent of CSEA.

**Section 2.3. Limitations.** Neither the Corporation nor any of its officers, agents, employees or any other person under its control shall take any action prohibited by the bylaws of CSEA.

### **Article 3. Members**

**Section 3.1. 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 3.2. Qualifications for Membership.** Any individual dedicated to the purposes 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 and in Article 4. The qualifications for the respective classes of membership shall be as follows:

(A) Active Members.

(a) Rank and File Employees of the CSU Board of Trustees, not designated as supervisory, managerial, or confidential, shall be eligible for membership in the (NAME). Membership in good standing shall continue during appeals of involuntary termination.

(b) Foundation Employees, Associated Student Employees, and Student Employees not designated as supervisory, managerial, or confidential, shall be eligible for membership in the (NAME). Membership in good standing shall continue during appeals of involuntary termination.

(c) Employees of the UC Regents in units represented by the (NAME)

(d) Employees of Hastings College of the Law

(B) Associate Members.

(a) Are on leave of absence from state service who elect not to be active members;  
and

(b) Were members while in state service, have separated from state service, and  
who are recommended by a chapter for membership.

(c) Those University employees who are not eligible for active retired membership,  
and are not part of an existing union.

(d) Those persons who are dedicated to the purposes of the corporation but are not  
qualified for active membership, and who are:

(1) beneficiaries of a deceased person who was an active member at the  
time of death;

(2) on authorized leave of absence from state service but elect not to be  
active members;

(3) temporarily laid off from state service, but were members prior to such  
layoff; or

(4) separated from state service under protest, during the pendency of any  
proceedings for reinstatement and appeals therefrom and until such  
separation becomes final. For purposes of this section, employment by  
the State of California shall include employment by the State or any  
agency or department thereof, the Legislature, the University of  
California, the California State Universities, the California Community  
Colleges, or any public corporation or foundation.

**Section 3.3. Members in Good Standing.** Those members who have paid the required dues and fees in accordance with these Bylaws, who have not lost their eligibility for membership, who are not under suspension and have not been expelled shall be deemed members in good standing.

**Section 3.4. Rights of Members.** All members of the Corporation shall have the right to attend and speak at membership meetings of their respective Chapters. The other rights of the members shall be as follows:

Active Members. Active members in good standing shall

be entitled to all the rights and privileges of membership, including, without limitation, the right to vote, the right to hold office if elected, and the right to participate on a non-discriminatory basis with all other active members in all member benefits.

Associate Members. Associate members shall be entitled

to participate in member benefits if and to the extent such benefits can be provided without interfering with the Corporation's ability to serve the active members.

**Section 3.5. Term of Membership.** All persons who are members of the (NAME) of CSEA at the time the Corporation receives a charter as an affiliate of CSEA, shall automatically become active members of the Corporation at that time. Thereafter,

membership shall commence when a member is admitted in accordance with these Bylaws. Membership shall continue until the member resigns, is expelled, dies or becomes ineligible for membership.

**Section 3.6. Dues** Membership dues shall be set through the Corporation. Other fees may be set by the Board of Directors as they deem appropriate.

**Section 3.7. Payment of Dues.** All dues for active members shall be payable by payroll deduction while the State of California cooperates with the terms of a Memorandum of Understanding.

**Section 3.8. Transfer of Membership.** Membership is personal to the member. It is not assignable or transferable under any circumstances. Any purported assignment or transfer of any rights of membership shall be null and void and of no effect.

**Section 3.9. Member Discipline.**

(1) Grounds. A member may be disciplined up to and including suspension or expulsion from membership in this Corporation, or fined for one or more of the following causes:

(a). Failure to pay dues, fees or assessments within 120 days after the due date thereof.

(b) Occurrence of any event that makes the member ineligible for membership.

(c). The good faith determination by the Board of Directors, or a committee or hearing officer authorized by the Board to make such a determination, that

the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes or interests of the Corporation.

(2) Procedure. Members of the corporation shall be disciplined in accordance with policies and procedures established by the corporation and applicable laws.

**Section 3.10. Open Meetings.** Except as set forth in this Section 3.10, all meetings of the Executive Officers, the Board of Directors and all committees at which the business of the Corporation is acted upon shall be open to all members in good standing of the Corporation, and all meetings of each Chapter and of its officers and committees shall be open to all members of such Chapter. A meeting may not be closed except for reasons in accordance with established policies and procedures and subject to applicable laws.

#### **Article 4. Chapters**

**Section 4.1. Definition.** A Chapter is defined as an autonomous organization of persons with a community of interest qualified for membership in the Corporation, which holds an un-revoked charter signed by the Executive Director and the Director of Finance by authority of the Board of Directors in accordance with established policies and procedures, and subject to applicable laws.

**Section 4.2. Purposes.** The purposes of a Chapter shall be to promote cooperation among the members, to provide a forum for meetings of members and participation in the affairs of the Corporation, to recruit and organize members, and to carry out the purposes of the Corporation at a local level.

**Section 4.3. Eligibility for Charter.** Persons who are eligible to or hold active membership in the Association may petition the Board of Directors for the issuance of a charter declaring in their petition the community of interests to be served, their acceptance of the Association Bylaws, and the Corporation Bylaws and Policy File, and their desire to function as a lawful unit of the Corporation.

**Section 4.4. Chapter Bylaws and Activities.** Each Chapter shall adopt and follow bylaws in accordance with established policies and procedures and subject to applicable law.

## **Article 5. Corporate Governance**

### **Section 5.1 Corporate Officers**

The principle officers of the Corporation shall be Executive Director, Director of Operations, Director of Finance, and Director of Representation.

**Executive Director.** Subject to the overall control of the Board of Directors, the Executive Director shall be the chief executive officer of the Corporation, and shall supervise, direct and manage the Corporation's activities, affairs and other Officers and employees. The Executive Director shall preside at meetings of the Board of Directors and at meetings of the Executive Officer Committee, and shall be an ex-officio member of every committee. The Executive Director shall have such other powers and duties as may from time to time be prescribed in these Bylaws or by the Board of Directors.

**Director of Operations.** Shall be the second officer of the Corporation. The Director of Operations shall preside at all meetings of the Board of Directors, and of the Executive

Officer Committee, which the Executive Director is unable to attend. The Director of Operations shall also perform the other duties of the Executive Director during such time as the Executive Director is unable to do so, until the Executive Director is able to resume the duties of that office and so informs the Director of Operations. In the event of a vacancy in the office of Executive Director, the Director of Operations shall perform the duties of Executive Director until such vacancy has been filled.

(1) Organizing. The Director of Operations shall have primary responsibility in the development and implementation of all organizing and recruitment activities of the Corporation.

(2) Membership Records. The Director of Operations shall also keep or cause to be kept, at the Corporation's principal office or at a place determined by Board resolution, a record of the Corporation's members, showing each member's name, address, Chapter and class of membership and any changes thereto.

(3) Chapter Records. The Director of Operations shall keep or cause to be kept a record of the territory, officers, Delegates, Alternates, bylaws, meeting place and other significant information about each Chapter.

(4) Meeting Notices. The Director of Operations shall also give, or cause to be given, notice of all meetings of the Board, and of Committees of the Board and other committees required by these Bylaws to be given.

(5) Elections. The Director of Operations shall give such notices, send such ballots, compute voting rights and quorum requirements and take such other actions as may be required by these Bylaws in connection with all nominations and elections for the Corporation.

The Director of Operations shall have such other duties as may from time to time be prescribed by the Board of Directors.

**Director of Finance.** Duties as Director of Finance.

(1) Financial Records and Reports. As Director of Finance, he or she shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Director of Finance shall send or cause to be given to the members, Delegates, Officers and Directors such financial statements and reports as are required by law, by the Bylaws, or by the Board of Directors to be given. The books of account of the Corporation shall be open to inspection by any Director at all reasonable times.

(2) Custody of Funds. The Director of Finance shall also deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board of Directors may designate, shall disburse the Corporation's funds as the Board of Directors may order, shall render to the Executive Director and the Board of Directors, when requested, an account of all transactions as chief financial officer and of

the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board of Directors or the Bylaws may prescribe.

(3) Bond. If required by the Board, the Director of Finance shall give the Corporation a bond, in the amount and with the surety or sureties specified by the Board of Directors, for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Director of Finance on his or her death, resignation, retirement, or removal from office.

(4) Collections and Disbursements. The Director of Finance shall oversee the collection of all amounts owed to the Corporation and the payment of the obligations of the Corporation.

(5) Charter Documents and Seal. The Director of Finance shall keep or cause to be kept at the principal office of the Corporation a copy of the Articles of Incorporation and the original of these Bylaws, as amended to date. The Director of Finance shall also keep the seal of the Corporation in safe custody at the principal office of the Corporation.

**Director of Representation.** The Director of Representation is the fourth executive officer and responsible for the supervision, training, development, and operations of the representation program of the Corporation including coordinating collective bargaining and the activities of the Bargaining Unit Councils. The Director of Representation serves as chairperson of the

**Representation Committee and is ex-officio to the Classification Committee. The Director Of Representation shall have such other duties as may from time to time be prescribed by the Board of Directors.**

#### **Section 5.2 Executive Officer Committee**

**There is hereby established an Executive Officer Committee. The members of the Executive Officer Committee shall be the Executive Director, the Director of Operations, the Director of Finance, and the Director of Representation.**

#### **Section 5.3 Board of Directors**

**There is hereby established a Board of Directors of the Corporation consisting of, the members of the Executive Officer Committee, chapter presidents, and bargaining unit chairs or their alternates.**

**Section 5.4 General Council Delegates** General Council Delegates are elected and serve in accordance with California State Employees Association Bylaws Policies and procedures.

**Section 5.5 Powers of the Board of Directors.** Subject to the provisions and limitations of applicable law, and subject to any limitations in the Articles of Incorporation, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised by or under the direction of, a Board of Directors constituted as set forth in this Article. Said Board of Directors is sometimes referred to herein as the "Board." A member of the Board is referred to herein as a "Director."

**Section 5.6. Electorate.** The Officers are elected by the members of the Board of Directors, at a session of the Board of Directors, from the active members of the Corporation.

**Section 5.8. Voting Rights.** All voting rights of the active members, except those exercised within their respective chapters, shall be delegated to and exercised by and through their duly elected delegates.

**Section 5.8. Term of Office In accordance with etc.** The election cycle of Corporation officers shall correspond with the cycle of the Association General Council Meetings.

**Section 5.9. Installation of New Directors.** Newly elected Officers shall be installed as the Officers of the Corporation at the close of the Board of Directors Meeting at which they are elected. Before entering upon their duties, each shall take an oath, the exact terms of which may be established by resolution of the Board, to support the aims and purposes of the Corporation, support and defend its Bylaws, and faithfully discharge the duties of such office. Directors elected at or between meetings of the Board of Directors shall take the oath at that meeting before taking office. Directors elected at other times shall take the oath at the beginning of the first meeting of the Board of Directors which they attend. The Executive Director shall conduct the installation of all Officers and Directors and administer the oath to them

**Section 5.10. Compensation of Directors.** No Director or Officer shall be entitled to any compensation for services rendered as such Director or Officer. The Corporation shall, however, pay or reimburse the reasonable expenses incurred by the Directors and Officers in connection with attending meetings of the Board of Directors, serving on Committees of the Board or other committees, or otherwise carrying out their duties on behalf of the Corporation.

**Section 5.11. Vacancies on the Board of Directors.**

(1) Causes of Vacancies. A vacancy or vacancies on the Board Of Directors or Executive Officer Committee shall exist on the occurrence of any of the following events.

- (a) The death or resignation of a Director or Officer.
- (b) The declaration by resolution of the Executive Officer Committee of a vacancy in the office of a Director or Officer who has been declared of unsound mind by an order of court or convicted of a felony since being elected as a Director or Officer.
- (c) The removal of a Director or Officer by the Board of Directors, as set forth below.
- (d) An increase in the number of authorized Directors.

(2) Rules for Vacancies

- (a) Resignation. A Director or Officer may resign by giving written notice to the Executive Director, the Director of Finance or the Executive Officer Committee. Such resignation will be effective when received unless it specifies a later effective date, in which case it shall take effect as of such later date.
- (b) Removal. The Board of Directors may remove a Director or Officer from office, with or without cause, by vote of two-thirds of the Directors in attendance and voting at a meeting at which a quorum is present. Directors may be removed only at a meeting.
- (c) Filling Vacancies. Except for vacancies created by removal of an Officer by the Board of Directors, vacancies on the Executive Officer Committee may be filled

by a majority vote of the Officers then in office, whether or not less than a quorum, or by a sole remaining Officer.

(d) A vacancy created by the removal of an Officer by the Board of Directors may be filled by the Board of Directors; if the Board of Directors fails to fill any such vacancy, the Executive Officer Committee may do so as in the case of any other vacancy. The Board of Directors may fill any vacancy not filled by the remaining Executive Officers.

## **Article 6. Committees of the Board**

**Section 6.1. Constitution and Powers.** The Board may establish committees to serve particular purposes of the Corporation. Other committees have been established by these Bylaws, or may be established by amendment hereof; but neither the Board nor any bylaw may delegate to any committee any of the powers listed in Corporations Code Section 7212(a)(1)-(8). If any committee has any members who are not Directors, it is not a Committee of the Board, and it may not have or exercise the powers set forth in this Article

## **Article 7. Representatives to CSEA**

**Section 7.1. Appointed Director.** The Executive Director shall serve, ex-officio, as the director which this Corporation is entitled to appoint to the board of directors of CSEA. If the Director of Operations is performing the duties of the Executive Director at the time for any meeting of the CSEA board, general council or any committee of which such

appointed director is a member, the Director of Operations shall also serve as the Corporation's appointee on the CSEA board during such meeting.

**Section 7.2. Elected Director.** The Director of Operations/CSEA Board of Directors Representative shall serve as the elected director to the board of directors of CSEA.

**Section 7.3. General Council Delegation.** The delegates and alternates who represent the active members of the Corporation on the CSEA General Council shall be: (1) the Delegates and Alternates elected pursuant to CSEA Bylaws, (2) Executive Director and Director of Operations (3) the Director of Finance and Director of Representation.

**Section 7.4. (NAME) Chapter Delegates to General Council.**

(a) General Council Delegates. The election of Chapter General Council delegates shall be in accordance with the Association Bylaws and policies

**Section 7.5. Other Representatives.** If the bylaws of CSEA require or permit this Corporation, the class of members of CSEA who also belong to this Corporation or the division of CSEA to which such members formerly belonged to elect or appoint any other representatives to the CSEA board of directors, general council, any CSEA committee or any other CSEA body (other than as set forth above or elsewhere in these Bylaws), such other representatives shall be appointed by the Executive Director, with the consent of the Board of Directors.

## **Article 8. Finance**

**Section 8.1. Fiscal Year.** The fiscal year of the Corporation shall be the calendar year.

**Section 8.2. The Budget.**

(a) Adoption. The Corporation's fiscal affairs shall be managed pursuant to the cycle of Association General Council Meetings. At least 30 days prior to the Board of Directors meeting prior to the General Council Meeting, the Director of Finance shall have proposed, and shall have mailed to each Delegate, a proposed budget for the following budgetary cycle. The Board of Directors may, by majority vote, make such amendments to the proposed budget as it deems advisable. The proposed budget, as so amended, shall become the budget of the Corporation for the forthcoming budgetary cycle. The Board of Directors shall be deemed to have ratified and approved those parts of the proposed budget which it does not amend.

(b) Amendment. The Board of Directors may amend the budget for any purpose

(c) Exceeding Budget. No expenditure of the Corporation's funds or other assets may be made or contracted for except pursuant to and in accordance with a budget duly adopted by the Board of Directors, except as specifically authorized by the Board of Directors 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 by either:

(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 Board of Directors then in

office, and then only to cover obligations that were incurred involuntarily and must be paid to avoid legal liability for the Corporation.

(d) Automatic Amendment. If CSEA cannot or does not agree to provide all the services ordered by the Corporation pursuant to its budget, then 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 items.

(e) Application of Credits. The Corporation's credits with CSEA for its positive funds balance as of the date it receives a charter from CSEA, and any future credit balances with CSEA 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 CSEA or such other supplier.

**Section 8.3. Borrowing.** The Corporation may borrow money for corporate purposes, on terms approved by the Board of Directors, only to the extent authorized by its currently effective budget.

**Section 8.4. Lending and Leasing.** If and to the extent authorized by the currently effective budget, the Corporation may rent or lease to others its real or personal property (other than money or cash equivalents) not needed for current operations, on commercially reasonable terms and with adequate security. The Corporation shall not acquire any property for the purpose of renting or leasing it, and shall sell any asset for which there is no foreseeable future need. The Corporation may lend its assets (other than money or cash equivalents) free of charge or for less than the rental value thereof

provided such loan is for the purposes set forth in Article 2. The Corporation shall not lend money except as permitted by section 8.6.

**Section 8.5. 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 the Corporation's funds or any loan, lease or transfer of any of its other 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 8.6. Investment of Corporation's Funds.** Funds of the Corporation in excess of those needed for current expenses shall be deposited in one or more accounts 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 US Government or the State of California.

## **Article 9 Political Action.**

**Section 9.1. CSEA Governmental Affairs Committee.** After consulting with the Public Policy Committee, the Executive Director shall appoint two active members in good standing to serve as the representatives of the Corporation on the CSEA Governmental Affairs Committee. Such appointees may not be members of the board of directors of CSEA, employees of the California Legislature or appointees of any constitutional officer of the State of California. The term and duties of membership on such

committee, and the rules of procedure for it, shall be as set forth in the bylaws of CSEA.

**Section 9.2. Limitations.** No officer, director, agent, employee, member, Chapter or other subordinate organization or subdivision of the Corporation shall take any political action on behalf of the Corporation or in the name of the Corporation on any political issue without the express prior approval of the Public Policy Committee or the Board of Directors. The term "political action," as used in this section, shall mean and include all the activities listed and referred to in Section 1 of this article, and all other political activities of like kind.

## **Article 10. Indemnification**

**Section 10.1. Right of Indemnity.** To the fullest extent permitted by law, this Corporation shall 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 this article a "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 bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

**Section 10.2. Approval of Indemnity.** On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California

Corporations Code, the Board shall promptly determine under Section 7237(e) of said Code whether the applicable standard of conduct set forth in Section 7327(b) or Section 7237(c) has been met. If so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the matter shall be submitted to a vote of the Delegate Assembly by written ballot. Each ballot shall be sent with a statement of the facts of the matter prepared by legal counsel to the Corporation, and the statement of the person or persons requesting indemnification if such statement is not unreasonably long and is received before the time the ballots are mailed. The Delegate Assembly shall thereupon determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, shall authorize indemnification. A person to be indemnified shall not be entitled to vote on the question.

**Section 10.3. Advancement of Expenses.** To the fullest extent permitted by law and except as otherwise determined by the Board 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 10.4. Insurance.** The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its agents, as defined

above, against any liability asserted against or incurred by any such person in such capacity or arising out of his or her status as such agent of the Corporation.

## **Article 11. Records and Reports**

**Section 11.1. Maintenance of Corporate Records.** The Corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its Board of Directors and its Committees; and
- (c) A record of each member's name, address, Chapter and class of membership.

**Section 11.2. Maintenance and Inspection of Articles and Bylaws.** The Corporation shall keep at its principal office the original or a copy of the Articles of Incorporation, and these Bylaws, as amended to date, which shall be open to inspection by the voting members at all reasonable times during office hours.

**Section 11.3. Annual Report.**

(a) An annual report shall be prepared within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information in appropriate detail:

- (1) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Corporation that they were prepared without audit from the books and records of the Corporation.

(2) A statement of the place where the list of the names and addresses of current members is located.

(b) Unless each voting member is given a copy of such report, the Corporation shall notify each voting member annually of such member's right to receive a financial report under this section. On written request by a voting member, the Board shall promptly cause the most recent annual report to be sent to the requesting member.

(c) If the Corporation regularly publishes a member newsletter or magazine which is mailed to all active members, the obligation to provide a copy of the annual report to members shall be satisfied if such report is published in full in an issue of such publication which appears no later than 120 days after the end of the Corporation's fiscal year. If the report is not published in full, the notice required by subsection (b) may be given by publishing it in a prominent place in the issue of such publication which appears nearest before the end of 120 days after the end of the Corporation's fiscal year.

## **Article 12. Amendment of Bylaws**

**Section 12.1. Amendment by the Board of Directors.** These Bylaws may be amended, or new bylaws adopted, by vote or written consent of two-thirds (2/3) of the Directors present and voting at any duly called, noticed and held meeting of the Board of Directors at which a quorum is present, provided advance notice of the proposed amendment has been given to the Directors at least 45 days before such meeting is held. Such notice shall set forth the text of the proposed amendment, and shall be mailed or otherwise given to each Director in the manner required for giving notice of

special meetings of the Board of Directors. Any provision of these Bylaws that requires the vote of a larger proportion of the Directors than otherwise required by this article may not be amended or repealed except by such larger vote.

**Section 12.3. Record of Amendments.** The Director of Operations shall keep complete records of all amendments for at least five years after the effective date thereof, 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 Director of Operations. In any event, the Director of Operations shall ensure that these Bylaws accurately and completely incorporate all amendments to date, and shall certify that the Bylaws, as so amended, are the true and complete bylaws of the Corporation.

### **Article 13. Interpretation**

**Section 13.1. Supremacy of the Bylaws.** These Bylaws are the supreme authority of the Corporation, subject only to the Articles of Incorporation, to the applicable provisions of the bylaws of CSEA, and to U.S. and California law. Any act of the Executive Officer Committee, of any Committee of the Corporation, of the Board of Directors or of any Officer, Chapter, member, committee or agent of the Corporation in conflict with these Bylaws is, to the extent of such conflict, null and void.

**Section 13.2. Definitions.** Unless the context clearly requires another meaning, all terms defined below and used in these Bylaws with a capitalized initial shall have the meaning given them in this section, as follows:

(a) "Alternate" shall mean a person elected by a Chapter to replace a Delegate if necessary, pursuant to Article 7, Section 7.3.

(b) "Board" shall mean the Board of Directors.

(c) "Board of Directors" shall mean the Board of Directors established by Article 5.3 hereof.

(d) "Chapter" shall mean an organized group of members of the Corporation who work or reside within geographic boundaries established pursuant to Article 4 and who hold a valid and unrevoked charter from this Corporation pursuant to said article.

(e) "Committee of the Board" shall mean a committee composed entirely of Directors and established pursuant to Article 6.

(f) "Corporation" shall mean this corporation.

(g) "CSEA" shall mean California State Employees' Association.

(h) "Chapter Representative" shall mean a person elected by the active members of a Chapter to represent their voting rights in the Corporation, pursuant to Article 5.

(i) "Director" shall mean a member of the Board of Directors

(j) "Executive Committee" shall mean the Executive Officer Committee established by Article 5, Section 5.2.

(k) "Officer" shall mean one of the principal officers of the Corporation identified in Article 5, Section 5.1.

**Section 13.3. Rulemaking Authority.** No grant of authority herein contained permitting the Board of Directors to make and amend rules in certain instances shall be deemed to restrict the authority of the Board of Directors to make and amend rules in other instances.

**Section 13.4. Cross-References.** Each reference herein to any article shall be deemed to include a reference to each and every section, subsection and other subordinate part thereof; and each reference to a section or subsection shall be deemed to include a reference to each and every subsection and other subordinate part thereof.