

**NATIONAL CONFLICT RESOLUTION CENTER**

**BYLAWS**

**Amended by a vote of the Membership**  
**June 16, 2008**

**Certified by the Board of Directors**  
**July 16, 2008**

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**BYLAWS  
NATIONAL CONFLICT RESOLUTION CENTER  
A California Nonprofit Public Benefit Corporation  
Revised July 16, 2008**

**ARTICLE 1 - PURPOSES**

**Section 1.01 - PURPOSE**

National Conflict Resolution Center (hereinafter "NCRC") is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1954, as amended. NCRC's primary and specific purposes are to provide alternative dispute resolution, education, and training for the benefit of the public through its three divisions: San Diego Mediation Center, Training Institute, and Business Center.

**Section 1.02 - MISSION**

We provide and promote collaborative dispute resolution and conflict management to individuals, organizations, and society through education, training, and client services.

**ARTICLE 2 - OFFICES**

**Section 2.01 - PRINCIPAL OFFICE**

The principal office of NCRC is located at 625 Broadway, Suite 1221, San Diego, California 92101, or at such location as may be determined by the Board of Directors.

**Section 2.02 - OTHER OFFICES**

Branch or subordinate offices may be established at any time by the Board at any place or places.

**ARTICLE 3 - BOARD OF DIRECTORS**

**Section 3.01 - NUMBER AND QUALIFICATIONS**

The Board of Directors shall consist of between seventeen (17) and twenty-seven (27) individuals, the number to be determined by a resolution adopted by the Board or until changed by an amendment to these Bylaws. The Immediate Past Board Chair shall be designated as one of the number of Directors, notwithstanding Section 3.04.

**Section 3.02 - POWERS**

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corp. Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation and these Bylaws, the activities and affairs of NCRC shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of NCRC, except for those items in Section 5.05B, to any person(s), a management

company, or committees however composed, provided that the activities and affairs of NCRC shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

No assignment, referral, or delegation of authority by the Board or anyone else shall preclude the Board from exercising the authority required to meet its responsibility for the conduct of the activities of NCRC and the Board shall retain the right to rescind any such delegation.

### **Section 3.03 - DUTIES**

It shall be the duties of the Directors to:

- (a) Perform any and all duties imposed upon them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;
- (b) Oversee the conduct, management, and control of the affairs and business of NCRC and to make rules and regulations, not inconsistent with the laws of California and the Bylaws of NCRC;
- (c) Establish long-range policies of NCRC;
- (d) Adopt the annual operating budget and ensure long-term financial stability;
- (e) Appoint, evaluate, and remove, if necessary, the President, prescribe the duties of that position, and fix compensation for that position;
- (f) Create and ensure on an ongoing basis the implementation of a strategic plan;
- (g) Promote and support NCRC;
- (h) Raise funds for NCRC;
- (i) Elect Directors;
- (j) Attend Board meetings; and,
- (k) Contribute to NCRC as determined by the Board.

### **Section 3.04 - TERM OF OFFICE FOR DIRECTORS**

Term of office for Directors normally shall be two (2) years, starting December 1. As nearly as is practicable, Directors shall be elected in a manner that the terms of one-half of them expire each year.

### **Section 3.05 - SAN DIEGO COUNTY BAR ASSOCIATION DESIGNATION**

The San Diego County Bar Association is a sponsor of NCRC. So long as the San Diego County Bar Association continues to be a sponsor of NCRC, it shall be entitled to designate at the time of election of elected Directors two (2) Directors. There shall be no distinction between designated and elected Directors. The San Diego County Bar Association shall designate Directors by resolution of its Board of Directors or through authority delegated by resolution of its Board of Directors and shall seek to promote representation of the Board of Directors of NCRC by persons familiar with the need for alternative dispute resolution services in various geographical communities. The Board of Directors of NCRC shall establish the terms and conditions which

shall entitle the San Diego County Bar Association to continue to be a sponsor of NCRC.

### **Section 3.05A - MEDIATOR REPRESENTATIVES**

NCRC Mediators may as a class nominate three persons to be Directors. The persons nominated by the Mediators may be included in the nominations made by the Board Governance Committee, but if they are not so included they shall be nominated in addition to the persons nominated by the Board Governance Committee. The Board shall adopt procedures to facilitate the nomination of Directors by the Mediators by majority vote.

### **Section 3.06 - VACANCY ON THE BOARD OF DIRECTORS**

A vacancy on the Board shall be deemed to exist in the case of the expiration of the term of a Director, or the death, resignation, or removal of any Director, or if the authorized number of Directors is increased by the Board, provided that the authorized number of Directors shall not be increased by more than five (5) during any fiscal year.

Any Director may resign effective upon giving written notice to the Board Chair or the Secretary, unless the notice specifies a later time for the resignation to become effective. The Board Chair or Secretary may accept an oral resignation in determining a quorum.

The Board may remove a Director who has been absent from three (3) or more consecutive meetings, declared of unsound mind by a final order of court, convicted of a felony, or found by a final order or judgment of any court to have breached any duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law.

Vacancies on the Board may be filled by a majority vote of the remaining Directors at any regular or special meeting of the Board, or by the sole remaining Director. A Director elected to fill a vacancy shall serve the term, as determined by the Board, of the balance of the current fiscal year or the balance of the current fiscal year plus one or two years.

### **Section 3.07 - MEETINGS OF DIRECTORS**

Regular meetings of the Board of Directors shall be held at least six (6) times per year and at least once every two (2) months, at such times and places as may be determined by the Board or the Board Chair.

### **Section 3.08 - SPECIAL MEETINGS**

Special meetings of the Board of Directors may be called by the Board Chair, or at the written request of seven (7) Directors, delivered to the Board Chair and indicating the purpose of the meeting. Special meetings of the Board shall be held upon four (4) days notice by first-class mail or forty-eight (48) hours given personally or by telephone, telegraph, FAX, email, or other similar means of communication. Any such notice shall be addressed or delivered to each Director at the Director's address as it is shown on the records of NCRC or as may have been given to NCRC by the Director for purposes of notice.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. The related postmark shall document the time. Any other written notice shall be deemed to have been given at the time it is personally given to the recipient or is given to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed to have been given at the

time it is communicated, in person or by telephone or by wireless, to the recipient or to a person at the office of the recipient who the person giving the notice had reason to believe will promptly communicate it to the receiver.

The notice shall state the time of the meeting, the purpose of the meeting, and the place if the place is other than the principal office of NCRC.

### **Section 3.09 - QUORUM**

A majority of the Directors then in office shall constitute a quorum. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, but any action taken must be approved by at least a majority of the required quorum for such a meeting. Directors may not vote by proxy. Directors may not participate in the meeting by telephone or other electronic communication.

### **Section 3.10 - ELIGIBILITY OF DIRECTORS**

No employee of NCRC shall serve on the Board of Directors. Notwithstanding this prohibition, in the event the Board believes there are special circumstances warranting the appointment, nomination or retention of a Board member who is also an employee of NCRC, this prohibition may be waived by a resolution of the Board so stating and specifying those special circumstances. No Director shall receive fees or compensation for services performed as a Director; however, a Director may be reimbursed for reasonable expenses incurred in his/her duties as a Director.

### **Section 3.11 - LEAVE OF ABSENCE**

The Board Chair may grant a leave of absence to a duly elected Director for compelling personal or professional reasons. The number of Directors needed to determine a Board quorum will be reduced by the corresponding number of Director(s) on leave. Director(s) on official leave will not have liability for decisions made in her or his absence.

### **Section 3.12 - WAIVER OF NOTICE**

Notice of a meeting need not be given to any Director who signs a waiver of notice or written consent to hold the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting thereto or at its commencement. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made part of the minutes of the meeting.

### **Section 3.13 - MAJORITY ACTION AS BOARD ACTION**

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the entire Board of Directors, unless the Articles of Incorporation or these Bylaws, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to the appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233), and indemnification of Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

### **Section 3.14 - NON-LIABILITY OF BOARD MEMBERS**

Pursuant to Section 5239 of the Nonprofit Public Benefit Corporation Law of the State of California, there shall be no personal liability to a third party on the part of a Director, or Board Chair, Board Vice Chair, Secretary, or Treasurer of NCRC caused by the Director's or Officer's negligent act or omission in the performance of that person's duties as a Director or Officer, if all of the following conditions are met:

- (a) The act or omission was within the scope of the Director's or Officer's duties;
- (b) The act or omission was performed in good faith;
- (c) The act or omission was not reckless, wanton, intentional, or grossly negligent; and,
- (d) Damages caused by the act or omission are covered pursuant to a liability insurance policy issued to NCRC, either in the form of a general liability policy or a Director's and Officer's liability policy, or personally to the Director or Officer; or, if the damages are not covered by a liability insurance policy, the Board of Directors and the Officer or Director had made all reasonable efforts in good faith to obtain available liability insurance.

This limitation on the personal liability of a volunteer Director or Officer does not limit the liability of NCRC for any damages caused by acts or omissions of a Director or Officer, nor does it eliminate the liability of a Director or Officer as provided in Section 5233 or 5237 of the California Nonprofit Public Benefit Corporation Law or with respect to any action or proceeding brought by the Attorney General.

### **Section 3.15 - ACTION WITHOUT A MEETING**

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

## **ARTICLE 4 - OFFICERS**

### **Section 4.01 - NUMBER AND TITLE**

The Officers of NCRC shall be elected from the Board of Directors and shall consist of a Board Chair, Vice-Chair(s), a Secretary, and a Treasurer. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as the Board Chair. NCRC may also have, at the Board's discretion, one or more additional Vice-Chairs, one or more additional assistant Secretaries, one or more assistant Treasurers, and such other Officers as may be appointed in accordance with these Bylaws.

### **Section 4.02 - TERM**

Officers shall serve at the pleasure of the Board. Normally, officers shall be elected bi-annually and shall serve for a two-year term starting December 1. An Officer shall be eligible for reelection for the same or other office for additional two-year terms upon a majority vote of the Board. When

the office of the Board Chair becomes vacant for any reason, it shall be forthwith filled by the Board.

#### **Section 4.03 - BOARD CHAIR**

The Board Chair shall preside at all meetings of the Board of Directors and the Executive Committee. The Board Chair shall call such meetings as are provided for in these Bylaws, shall see that the Bylaws, rules, and regulations are enforced, shall appoint Chairs of and members of committees in accordance with Section 5.01, and shall make a report at the Annual Meeting of the Board. The Board Chair ex-officio shall be a member of all committees, except that the Board Chair may not be a member of the Board Governance Committee. The Board Chair may sign (jointly with the Secretary where required) all corporate documents which are not inconsistent with policies set by the Board of Directors.

#### **Section 4.04 - VICE-CHAIR(S)**

In the absence or inability of the Board Chair, the Vice-Chair(s) shall perform the duties of the Board Chair. The Vice-Chair shall have duties assigned to him or her by the Board Chair with the approval of the Board and as long as they are not in conflict with these Bylaws.

#### **Section 4.05 - SECRETARY**

Subject to any limitations in these Bylaws, the Secretary of NCRC shall oversee the conduct, management, and control of:

- (a) Certification and retention at the principal office of NCRC the original or a copy of the Articles of Incorporation and these Bylaws as amended or otherwise altered to date; retention at the principal office of NCRC or at other such place as the Board may determine, a book of all minutes of the Directors, and if applicable, meetings of committees of Directors, recording therein the time and place of holding, whether regular or special, how called, how notice was thereof given, the names of those present at the meeting, and the proceedings thereof; and,
- (b) Distribution of all notices required within the provisions of these Bylaws or required by law.

#### **Section 4.06 - TREASURER**

The Treasurer shall be the chief financial officer of NCRC.

Subject to any limitations in these Bylaws, the Treasurer shall oversee the conduct, management, and control of:

- (a) The charge and custody of, and the responsibility for, all funds and securities of NCRC, and the deposit of all such funds in the name of NCRC in such banks, trust companies, or other depositories as shall be approved by the Board of Directors;
- (b) The receipt, and receipt for, all monies due and payable to NCRC from any source whatsoever;
- (c) The disbursement of the funds of NCRC as may be directed by the Board of Directors, with proper vouchers for such disbursements;

- (d) The keeping and maintenance of adequate and correct amounts of NCRC's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- (e) The exhibit at all reasonable times of the books of account and financial records to any Director of NCRC, or to his or her agent or attorney, on request therefor;
- (f) The rendering to the Board Chair and Directors, whenever requested, an account of any or all his or her transactions as Treasurer and of the financial condition of NCRC;
- (g) The preparation and certification of the financial statements to be included in any required reports; and,
- (h) The development of the annual budget of NCRC.

The Treasurer shall also, in general, perform all duties incident to the office of Treasurer and such duties as may be required by law, by the Articles of Incorporation, by these Bylaws, or which may be assigned to her or him from time to time by the Board of Directors.

#### **Section 4.07 - REMOVAL AND RESIGNATION**

Without prejudice to any rights of an Officer, any Officer may be removed with or without cause by the Board. Any Officer may resign at anytime by giving written notice to NCRC. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be excepted to be effective. Any resignation shall be without prejudice to the rights, if any, of NCRC under any contract to reach the Officer is a party.

#### **Section 4.08 - VACANCIES IN OFFICE**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

### **ARTICLE 5 - COMMITTEES**

#### **Section 5.01 - APPOINTMENT AND NATURE OF COMMITTEES**

The work of the Board and Officers of NCRC shall be accomplished not only through the efforts of the Directors and Officers, but also through the work of committees. The Board Chair, with the approval of the Board of Directors, shall appoint Chairs of standing and ad hoc committees. Members of the standing and ad hoc committees will be appointed by the Board Chair in consultation with the committee Chair. Committees shall be constituted, charged, and governed by the Board. Although the Board may designate such committees to gather information and transact business on behalf of the Board, the Board retains full authority over all business of NCRC.

The terms of the members of such committees shall expire at the end of each fiscal year without limitation of appointment to the same or other committees. There is no limit to the number of successive terms which a person, otherwise qualified, may serve on a committee, except insofar as it is limited by these Bylaws. The standing committees shall include Executive, Board Governance, Audit, and Fund Development. Committees may be constituted as needed to

accomplish the work of NCRC. The standing committees are designated in Sections 5.05 - 5.08. The chairs of the standing committees must be Board members.

### **Section 5.02 - DUTIES AND LIMITATIONS OF COMMITTEES**

The Committees may recommend programs of action to the Board of Directors or to the Executive Committee and, upon approval, may implement the programs. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) Fill vacancies on the Board or on any committee which has the authority of the Board;
- (b) Fix compensation of directors for serving on the Board or any committee;
- (c) Amend or repeal Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) Appoint any other committees of the Board or members of these committees;
- (f) Spend corporate funds to support a nominee or applicant for director after there are more people nominated for director than can be elected; and,
- (g) Approve any self-dealing transaction with respect to any assets held in charitable trust.

### **Section 5.03 MEETINGS AND ACTIONS OF BOARD COMMITTEES**

Meetings and actions of Board committees shall be governed by and held and taken in accordance with the provisions these Bylaws concerning meetings of the Board, with such changes in context of those provisions as are necessary to substitute the committee and its members for the Board and its members, except that the time of regular meetings of committees may be determined by either resolution of the Board or resolution of the committee. Special meetings of committees may also be called by resolution of the Board. The Board may adopt rules for government of a Board committee not inconsistent with the provisions of these Bylaws.

### **Section 5.04 - STANDING COMMITTEES**

NCRC shall have four (4) standing committees: Executive Committee, Board Governance Committee, Audit Committee and Fund Development Committee.

Each standing committee shall be chaired by a member of the Board. Each committee shall also have a vice-chair. Each committee, except for the Executive Committee, may have committee members who are not Board members. Subcommittees or committees other than standing committees are not restricted as to composition of committee members.

## **Section 5.05 - EXECUTIVE COMMITTEE**

### **A. COMPOSITION**

The Board of Directors shall appoint an Executive Committee which shall be composed of the Board Chair, Vice-Chair(s), Secretary, Treasurer, and Immediate Past Board Chair. Vacancies in the Executive Committee shall be filled by a majority vote of the Directors then in office. The Board may also choose to appoint up to two (2) Directors-at-large

### **B. DELEGATION BY BOARD TO THE EXECUTIVE COMMITTEE**

The Board may delegate to the Executive Committee any of the Board's powers and authority except with respect to:

- (a) The filling of vacancies on the Board;
- (b) The adoption, amendment, or repeal of Bylaws;
- (c) The appointment of committees of the Board;
- (d) The approval of any self-dealing transactions as referred to in Article 11 below; and,
- (e) The selection of or dismissal of the President.

### **C. MEETINGS**

Meetings of the Executive Committee may be called at any time by the Board Chair, or if she or he is absent or is unable or unwilling to act, by a Board Vice Chair, or by any two members of the Executive Committee.

### **D. QUORUM**

A majority of the Executive Committee then in office shall constitute a quorum.

### **E. POWERS OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the business and affairs of NCRC between meetings of the Board. This shall include reviewing NCRC's annual budget, and recommending its approval to the Board of Directors, providing monthly financial updates, reviewing the long-range financial plan, overseeing the application of the budget, making recommendations to the Board for all endowment and special funds of NCRC, making reports subject to policies established by the Board, and overseeing any investments of NCRC. All business transacted by the Executive Committee shall be reported to the Board of Directors at its next regular meeting. Any action which under the law may be taken at a meeting of the Executive Committee, may be taken without a meeting, if authorized by a writing signed by all members of the Committee who would be entitled to vote at a meeting for such purpose as filed with the Secretary.

## **Section 5.06 - BOARD GOVERNANCE COMMITTEE**

The Board Chair shall appoint a Board Governance Committee. The majority of members of the Board Governance Committee must also be members of the Board of Directors. The Board Chair shall not be eligible to be a member of the Board Governance Committee.

When a vacancy on the Board occurs, the Board may ask the Board Governance Committee to recommend to it the names of a person or persons willing to serve. The Board Governance Committee shall nominate proposed directors for election and mail to all Board members a slate of nominees, along with biographical information, not less than seven days prior to the Board meeting at which the Board will vote on the nominees.

The Board Governance Committee shall also be responsible for the orientation of new Board members, conducting, at least once per year, on-going training sessions for all Directors, and an annual self-evaluation of current Directors.

#### **Section 5.07 - AUDIT COMMITTEE**

The Board Chair shall appoint an Audit Committee. The Audit Committee shall recommend to the Board the appointment of the auditors of NCRC, meet with the auditors regarding the plans for and outcome of the audit, report to the Board regarding the audit and fiscal or management control issues, and be available to consider and advise the Board concerning related issues raised by the members of the Board, the auditors or others.

#### **Section 5.08 - FUND DEVELOPMENT COMMITTEE**

The Fund Development Committee shall consist of a chairperson who is a member of the Board of Directors, at least two (2) other Directors, and others as may be appointed by the Board Chair.

This committee shall review NCRC's fund development programs, and shall assist in obtaining gifts for current needs, specific and general programs, as well as for endowment and deferred giving.

#### **Section 5.09 STANDING OR OTHER COMMITTEES**

In the event that the Board determines that the management of NCRC would benefit by the establishment of one or more standing committees other than those mentioned in these Bylaws or any other committees, they may from time to time establish one or more such committees.

The establishment of a standing or other committee shall be effected by action of the Board approved by the vote of the majority of the Directors then in office, which specifically sets forth the powers and duties delegated to such committees. Each such committee shall consist of two or more Directors and others as shall be appointed by the Board Chair and shall be chaired by a Director selected by the Board Chair.

The Board Chair, subject to the limitations imposed by the Board, or the Board itself may create other committees to serve the Board which do not have the powers of the Board. The Board Chair, with the approval of the Board, shall appoint members to serve on such committees. One of the members appointed shall be designated chair, either by appointment of the Board Chair or by vote of the committee. If a Director is on a committee, she or he will be the chair. Each member of the committee shall continue as such until the next annual election of officers and until her or his successor is appointed, unless the member shall sooner resign or be removed from the committee.

Meetings of a committee may be called by the Board Chair, chair of the committee, or a majority of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties. Notice of a meeting of a committee may be given at any time and in any manner reasonably designed to inform the committee members of the time and place of the meeting. A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any meeting of a committee. Each committee may keep minutes of its proceedings and shall report periodically to the Board. A committee may take action by majority vote.

A vacancy in any committee or any increase in the membership shall be filled for the unexpired portion of the term by the Board Chair with approval of the Board.

## **ARTICLE 6 - PRESIDENT**

### **Section 6.01 - GENERAL**

The Board of Directors shall select and appoint a President who shall hold office at the pleasure of the Board and whose compensation, rights, powers, and duties shall be fixed by the Board. The President is the general manager and Chief Executive Officer of NCRC. He/she shall have the necessary authority and responsibility to operate NCRC in all its activities and departments, subject only to the policies as may be issued by the Board and any of its committees to which it has delegated power for such action. The President shall be accountable to the Board through the Board Chair, who shall be responsible for providing his/her annual performance review with input from the entire Board of Directors. The President shall not be a member of the Board of Directors.

## **ARTICLE 7 - INDEMNIFICATION**

### **Section 7.01 - DEFINITIONS**

For the purpose of this Article, the following definitions apply:

- (a) "Agent" means any person who is or was a Director, Officer, employee, or other agent of NCRC, or is or was serving at the request of NCRC as a Director, Officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, Officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of NCRC or of another enterprise at the request of such predecessor corporation;
- (b) "Proceeding" means any threatened, pending, or completed action or proceedings, whether civil, criminal, administrative, or investigative; and,
- (c) "Expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification.

### **Section 7.02 - INDEMNIFICATION**

NCRC may, to the maximum extent permitted by Section 5238 of the California Nonprofit Public Benefit Corporation Law, indemnify any person who was or is a party or is threatened to be made a party to any proceedings by reason of the fact that such person is or was an agent of NCRC, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceedings.

### **Section 7.03 - APPROVAL OF INDEMNITY**

On written request to the Board by any person seeking indemnification under Section 5238 (a) or Section 5238 (c) of the California Nonprofit Public Benefit Corporation Law, the Board shall promptly determine under Section 5238 (e) of the California Nonprofit Public Benefit Corporation Law whether the applicable standard of conduct set forth in Section 5238 (b) or Section 5238 (c) has been met and, if so, the Board shall authorize indemnification.

#### **Section 7.04 - 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 7 of these Bylaws in defending any proceeding covered by Article 7 may be advanced by NCRC before final disposition of the proceeding, on receipt by NCRC 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 NCRC for those expenses.

#### **Section 7.05 - INSURANCE**

NCRC shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's, Director's, employee's, or agent's, status as such.

#### **Section 7.06 - NONAPPLICABILITY OF FIDUCIARIES OF EMPLOYEE BENEFIT PLANS**

This Article does not apply to any proceedings against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of NCRC as defined in Section 7.01. NCRC shall have the power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivisions (1) of Section 207 of the California General Corporation Law.

### **ARTICLE 8 - OTHER PROVISIONS**

#### **Section 8.01 - FISCAL YEAR**

The fiscal year of NCRC shall be from July 1 through June 30, inclusive. The fiscal year may be changed at the discretion of the Board and in accordance with IRS rules and regulations.

#### **Section 8.02- ANNUAL REPORT**

The Board shall cause an annual report to be produced to its Directors not later than 120 days after the close of NCRC's fiscal year. The annual report shall be accompanied by the report thereon of independent accountants. The annual report shall contain in appropriate detail the following:

- (a) The assets and liabilities, including trust funds, of NCRC as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of NCRC, both unrestricted and restricted to particular purposes, during the fiscal year;
- (d) The expenses or disbursements of NCRC, for both general and restricted purposes, during the fiscal year; and,
- (e) Any information required by Section 8.03 of these Bylaws.

### **Section 8.03 - ANNUAL STATEMENT OF CERTAIN TRANSACTION AND INDEMNIFICATIONS**

Pursuant to Section 6322 of the California Nonprofit Public Benefit Corporation Law, NCRC shall furnish annually to its Directors a statement of any covered transaction or indemnification described below, if such covered transaction or indemnification took place. Such annual statement may be affixed and sent with the Annual Report described in Section 8.02 of these Bylaws, provided that it is furnished within 120 days of the close of NCRC's Fiscal Year. A covered transaction under this Section 8.03 is a transaction in which NCRC was a party, and in which any Director or Officer had a direct or indirect material financial interest (excluding a mere common directorship)

The statement required by this Section 8.03 shall describe briefly:

- (a) Any covered transaction during the previous fiscal year involving more than \$50,000, or which was one of a number of covered transactions in which the same Directors or Officers had a direct or indirect material financial interest and which transactions in the aggregate involve more than \$50,000;
- (b) The names of Directors and Officers involved in such transactions, stating such person's relationship to NCRC, the nature of such person's interest in the transaction, and, where practicable, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated; and,
- (c) The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director of NCRC pursuant to Article 8 of these Bylaws.

### **Section 8.04 ENDORSEMENTS OF DOCUMENTS AND CONTRACTS**

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement therefore executed or entered into between NCRC and any other person, when signed by the Board Chair or Board Vice Chair and the Secretary or Treasurer of NCRC shall be valid and binding on NCRC in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person(s) in such manner as from time to time shall be determined by the Board and, unless so authorized by the Board, no Officer, agent, or employee shall have any power or authority to bind NCRC by any contract or engagement or to pledge its credit or to render it liable for any amount or purpose.

### **Section 8.05 - CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Words in these Bylaws shall be read as the masculine or feminine gender and as the singular or plural, as the context allows. The captions and headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision.

## **Section 8.06 - AUTHORITY TO VOTE SECURITIES**

The Board Chair or any other Officer(s) authorized by the Board are each authorized to vote, represent, and exercise on behalf of NCRC all rights incident to any and all voting securities of NCRC. The authority granted herein may be exercised either in person or by any person authorized to do so by proxy or by power of attorney executed by the Board Chair or authorized Officer.

## **Section 8.07 - MAINTENANCE OF CERTAIN RECORDS**

NCRC shall keep at its principal office or at such place as the Board may order a book of minutes, written or typed, of all meetings of the Board with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, and the names of those present at the Board meeting. NCRC shall keep and maintain adequate and correct accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. Additionally, NCRC shall keep at its principal office the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection at all reasonable times during office hours.

## **Section 8.08 - INSPECTION BY DIRECTORS**

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

## **ARTICLE 9 - AMENDMENT OF BYLAWS**

### **Section 9.01 - AMENDMENT BY THE BOARD OF DIRECTORS**

Except the limitations set forth below, these Bylaws may also be amended at any regular meeting of the Board of Directors, or at any special meeting of the Board called for that purpose, provided that the subject of such amendment is stated in the notice of the meeting sent to each Director by mail, and that a quorum of the Board is present. No amendment to the Bylaws by the Board of Directors shall be effective unless it is approved by a majority affirmative vote of all Directors in office at the time the vote was taken.

### **Section 9.02 - REVIEW OF BYLAWS AND NOTICE**

These Bylaws shall be reviewed not less than once every four (4) years and documented as to date of review. New Bylaws may be adopted or these Bylaws may be amended or repealed by vote of a majority of the Directors then in office, provided notice of such proposed amendment has been given to the Board at least seventy-two (72) hours in advance of the vote.

## **ARTICLE 10 - SELF-DEALING TRANSACTIONS**

### **Section 10.01 - ACTION OF THE BOARD**

NCRC shall not be a party to any self-dealing transactions, unless:

- (a) The Board authorized or approved the transaction in good faith by a vote of the majority of the Directors then in office without counting the vote of the interested Director(s) and with knowledge of the material facts concerning the transaction and the Director's interest in it. Except as provided in Section 10.03, action by a committee of the Board will not satisfy this requirement;
- (b) The Board considered and in good faith determined after reasonable investigation under the circumstances that NCRC could not have obtained a more advantageous arrangement with reasonable effort under the circumstances;
- (c) The transaction is for NCRC's benefit; and,
- (d) The transaction is fair and reasonable for NCRC.

#### **Section 10.02 - INTERESTED DIRECTOR'S VOTE**

In determining whether the Board has validly met to authorize or approve a self-dealing transaction, the interested Director(s) may be counted in determining the presence of the quorum, but an interested Director(s)'s vote cannot count toward determining the required majority for such authorization, approval, or ratification.

#### **Section 10.03 - COMMITTEE APPROVAL**

A Board committee may approve a self-dealing transaction in a manner consistent with the standards prescribed for approval by the Board prior to entering into the transaction providing that the Board determines in good faith that the committee met the same requirements in Section 10.01 the Board would have had to meet in approving the transaction and the Board ratifies the transaction at its next meeting by vote of a majority of the Directors then in office without counting the vote of the interested Director(s).

#### **Section 10.04 - PERSONS LIABLE AND EXTENT OF LIABILITY**

If a self-dealing transaction has not been approved as provided above, the interested Directors(s) may be required to do such things and pay such damages as in the discretion of a court will provide an equitable and fair remedy to NCRC, taking into account any benefit received by it and whether the interested Director(s) acted in good faith and with the intent to further the best interest of NCRC.

#### **Section 10.05 - CORPORATE LOANS AND ADVANCES**

NCRC shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the California Attorney General; provided, however, that NCRC may advance money to a Director or Officer of NCRC or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or Officer, provided that in the absence of such advance, such Director or Officer would be entitled to be reimbursed for such expenses by NCRC or any subsidiary.