

BYLAWS
OF
RETIRED EMPLOYEES OF MERCED COUNTY
ASSOCIATION, INC
A California Nonprofit Mutual Benefit Corporation

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ARTICLE I. CORPORATE NAME AND OFFICES

SECTION 1. CORPORATE NAME.

The name of this corporation is: **RETIRED EMPLOYEES OF MERCED COUNTY ASSOCIATION, INC.**

SECTION 2. PREDECESSOR ORGANIZATION.

The name of the existing unincorporated association that was incorporated by the filing of the Articles of Incorporation for this corporation was: **RETIRED EMPLOYEES OF MERCED COUNTY ("REMCO").**

SECTION 3. PRINCIPAL OFFICE.

The principal office for the transaction of the activities and affairs of this corporation is located at 2032 Spanish Bay Court, Merced, California, in Merced County, California (95340). The Board of Directors may change the location of the principal office. Any such change of location must be noted by the Secretary on these Bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

SECTION 4. OTHER OFFICES.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

ARTICLE II. PURPOSES AND LIMITATIONS

SECTION 1. GENERAL PURPOSES.

This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

SECTION 2. SPECIFIC PURPOSE.

The purposes for which this corporation is formed are pleasure, recreation, and other nonprofit purposes, to promote and enhance the economic and social welfare of its members, and specifically as a social club, within the meaning of Internal Revenue Code §501(c) (7), or the corresponding provision of any future United States Internal Revenue law, to advocate, educate, inform, and provide activities for retired former

employees of the County of Merced and of other governmental entities in the greater Merced County area of California.

SECTION 3. LIMITATION ON ACTIVITIES.

This corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the above purposes of this corporation, and this corporation shall not carry on any other activities not permitted to be carried on by (i) a corporation exempt from federal income tax under Internal Revenue Code section 501(c)(7) (or the corresponding provision of any future United States internal revenue law), or (ii) a corporation, contributions to which are deductible under Internal Revenue Code section 170(c)(2) (or the corresponding provision of any future United States internal revenue law).

ARTICLE III. MEMBERS

SECTION 1. ACTIVE MEMBERSHIP.

Active membership ("**Active Members**") in the corporation is available to:

- a. Any person retired from employment by the County of Merced and those special Districts who are members of the Merced County Retirement Association ("**MCERA**"), who receives retired allowances under the Retired Employees Retirement law of 1937; or
- b. Any person who is a surviving spouse or a designated beneficiary of such employee receiving retirement benefits from MCERA.

The above requirements shall not preclude membership of retired employees from any other political subdivision of Merced County who is a member of MCERA.

SECTION 2. ASSOCIATE MEMBERSHIP.

Associate membership ("**Associate Members**") is available to persons who are working or have worked for Merced County or those special districts that are members of MCERA. Associate Members are not eligible to vote, have voice, sit on committees, or to hold office in the corporation.

SECTION 3. AFFILIATE MEMBERSHIP.

Affiliate membership ("**Affiliate Members**") is available to persons or organizations that have rendered service to the corporation on a continuing basis (or

its predecessor in interest). Affiliate Members are not eligible to vote, have voice, sit on committees, or to hold office in the corporation.

SECTION 4. ADMISSION TO MEMBERSHIP.

Any person qualified for membership under Sections 1-3, above, shall be admitted to membership only on the approval of the Board of Directors to admit members, upon an application submitted by such person in such form and in such manner as shall be prescribed by the Board of Directors and on the payment of the first annual dues as specified in Section 5, below.

SECTION 5. DUES.

Dues are payable monthly either by authorizing a monthly payroll deduction, or by payment in cash or check directly to the corporation for annual dues.

The dues, fees, and assessments shall be equal for all members of each class of membership, but the Board of Directors may, in its discretion, set different dues, fees, and assessments for each class. Dues shall be reviewed at the annual meeting of the Board of Directors. An increase in dues if approved by the Board of Directors shall become effective after a 30-day written notice to the membership of the recommended change is given, followed by an affirmative vote of the Active Member at the next regular meeting of members. A member, on learning of the amount of dues determined by the Board of Directors and the time or times of payment fixed by the Board of Directors, may avoid liability for the dues by promptly resigning from membership, except where the member is, by contract or otherwise, liable for the dues. The Membership Committee may approve a hardship exemption from dues on a case-by-case basis upon written application from a member.

SECTION 6. GOOD STANDING.

Members who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

SECTION 7. NUMBER OF MEMBERS.

There shall be no limit on the number of members the corporation may admit.

SECTION 8. MEMBERSHIP BOOK.

The corporation shall keep in written form or in any form capable of being converted into written form, a membership book containing the name, address, and class of each member. The book shall also contain the fact of termination and the date on which such membership ceased. Such book shall be kept at the principal office of the corporation and shall be subject to the rights of inspection required by law as set forth in Section 9, below.

SECTION 9. INSPECTION RIGHTS OF MEMBERS.

a. Unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

(1) Inspect and copy the records containing members' names during usual business hours on ten (10) days' prior written demand on the corporation, which must state the purpose for which the inspection rights are requested; or

(2) Obtain from the Secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for Directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested, The Secretary shall make this list available to the member on or before the later of ten (10) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled.

b. The corporation may, within ten (10) business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the proper purpose of the demand.

c. If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list.

d. Any inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. This right of inspection extends to the records of any subsidiary of the corporation.

e. On written demand on the corporation, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the Board of Directors, and committees of the Board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. This right of inspection extends to the records of any subsidiary of the corporation.

SECTION 10. OTHER MEMBERSHIP RIGHTS.

Only Active Members shall have the right to vote, as set forth in these Bylaws, on the election of Directors, on the disposition of all or substantially all of the assets of the corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, Active Members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. If the corporation is dissolved, Active Members shall receive a pro-rata distribution of all assets, exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of the corporation and provision for any other payment required under applicable law.

SECTION 11. NON-LIABILITY OF MEMBERS

A member of the corporation shall not solely because of such membership be personally liable for the debts, obligations, or liabilities of the corporation.

SECTION 12. TRANSFERABILITY OF MEMBERSHIP.

Neither the membership in the corporation nor any rights in the membership may be transferred for value or otherwise. All rights of membership shall terminate on the death of a member, except availability of Active Membership subject to Section 1. b, of Article III.

SECTION 13. TERMINATION OF MEMBERSHIP.

a. A membership shall terminate on occurrence of any of the following

events:

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- (1) The resignation of a member;
- (2) Where a membership is issued for a period of time, the expiration of such period of time;
- (3) The member's failure to pay dues, fees, or assessments as set by the Board of Directors within the time period they are due and payable. The membership of any member who fails to pay dues when due and within ninety (90) days thereafter shall automatically terminate at the end of such ninety (90) day period;
- (4) Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or
- (5) Termination of membership under Subsection d., below, of these Bylaws based on the good faith determination by the Board of Directors, or a committee or person authorized by the Board of Directors 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 corporation's purposes and interests.

b. All rights of a member in the corporation and in its property shall cease on the termination of such member's membership. Termination shall not relieve the member from any obligation for charges incurred, services or benefits rendered, dues, or fees, or arising from contract or otherwise. The corporation shall retain the right to enforce any such obligation or obtain damages for its breach.

c. A member may be suspended under these Bylaws, based on the good faith determination by the Board of Directors, or a committee or person authorized by the Board of Directors to make such a determination, that the member has failed in a material and serious degree to observe the corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the corporation's purposes and interests. A person whose membership is suspended shall not be a member during the period of suspension.

d. If grounds appear to exist for suspending or terminating a member under these Bylaws, the following procedure shall be followed:

- (1) The Board of Directors shall give the member at least fifteen (15) days' prior written notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably

calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporation's records.

(2) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board of Directors or by a committee or person authorized by the Board of Directors to determine whether the suspension or termination should occur.

(3) The Board of Directors, committee, or person shall decide whether the member should be suspended, expelled, or sanctioned in any way. The decision of the Board of Directors, committee, or person shall be final.

(4) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice must be commenced within one (1) year after the date of the expulsion, suspension, or termination.

ARTICLE IV. MEMBER MEETINGS.

SECTION 1. ANNUAL MEETING.

The annual meeting of the members shall be held in September and is scheduled by the President at the principal office of the corporation, unless the Board of Directors fixes another date, time, or place, and so notifies members as provided in Section 10 of this Article IV. At the meeting, Directors shall be elected and other proper business may be transacted, subject to Section 9 of this Article IV.

SECTION 2. REGULAR MEETINGS.

The members shall have quarterly meetings for conducting the business of the corporation on the second Tuesday during the months of March, June, September, and December each year, whenever practical. The Board of Directors or the President may establish an annual (or other time period) schedule for regular meetings of the members for the conducting the business of the corporation, noting the date, time, and location of such meetings and provide such meeting schedule to the members in accordance with the provisions of this Article IV, which shall constitute due notice of such regular member meetings.

SECTION 3. LOCATION OF MEETINGS.

Meetings of the members shall be held at any place within or outside California designated by the President, the Board of Directors, or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the corporation's principal office. The Board of Directors may authorize members who are not present in person to participate by electronic transmission or electronic video communication as provided under these Bylaws and in compliance with applicable law.

SECTION 4. AUTHORITY FOR ELECTRONIC MEETINGS.

If authorized by the Board of Directors in its sole discretion, and subject to the requirements of consent in Corporations Code §20(b) and guidelines and procedures the Board of Directors may adopt, members not physically present in person at a meeting of members may, by electronic transmission by and to the corporation or by electronic video screen communication, participate in a meeting of members, be deemed present in person, and vote at a meeting of members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the corporation or by electronic video screen communication, subject to the requirements of these Bylaws.

SECTION 5. REQUIREMENTS FOR ELECTRONIC MEETINGS.

A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the corporation or by electronic video screen communication (1) if the corporation implements reasonable measures to provide members in person a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any member votes or takes other action at the meeting by means of electronic transmission to the corporation or electronic video screen communication, a record of that vote or action is maintained by the corporation. Any request by a corporation to a member pursuant to Corporations Code §20(b) for consent to conduct a meeting of members by electronic transmission by and to the corporation shall include a notice that absent consent of the member pursuant to Corporations Code §20(b), the meeting shall be held at a physical location in accordance with Section 3 of this Article IV.

SECTION 6. AUTHORITY TO CALL SPECIAL MEMBER MEETINGS.

Four (4) Directors on the Board of Directors, or the Chair of the Board of Directors, if any, or the President, or five percent (5%) or more of the Active Members, may call a special meeting of the members for any lawful purpose at any time.

SECTION 7. SPECIAL MEMBER MEETINGS.

a. A special meeting called by any person entitled to call a meeting of the members shall be called by written request, specifying the general nature of the business proposed to be transacted, and addressed to the attention of and submitted to the chair of the Board of Directors, if any, or the President or any Vice President or the Secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the Active Members entitled to vote, under Sections 8, 9, 10, and 11 of this Article IV, stating that a meeting will be held at a specified time and date fixed by the Board of Directors. However, the meeting date shall be at least 35 but no more than 90 days after receipt of the request.

b. If the notice is not given within 20 days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board of Directors.

c. No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting.

SECTION 8. WRITTEN NOTICE REQUIRED.

Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, under Sections 8, 9, 10, and 11 of this Article IV, to each Active Member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting, and the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the Board of Directors, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given. Except as provided in Section 9, below, of these Bylaws, any proper matter may be presented at the meeting.

SECTION 9. NOTICE OF CERTAIN AGENDA ITEMS.

Approval by the Active Members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- a. Removing a Director without cause;
- b. Filling vacancies on the Board of Directors;
- c. Amending the Articles of Incorporation;
- d. Electing to wind up and dissolve the corporation;
- e. Approving a contract or transaction between the corporation and one or more Directors, or between the corporation and any entity in which a Director has a material financial interest; or
- f. Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or Bylaws, when the corporation is in the process of winding up.

SECTION 10. NOTICE REQUIREMENTS.

Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally, by electronic transmission by the corporation, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member as it appears on the books of the corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either:

- a. Notice is sent to that member by first-class mail or facsimile or other written communication to the corporation's principal office; or
- b. Notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

SECTION 11. ELECTRONIC NOTICE.

a. Notice given by electronic transmission by the corporation shall be valid only if:

(1) Delivered by (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (b) posting on an electronic message board or network that the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (c) other means of electronic communication;

(2) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and

(3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

b. Notwithstanding the foregoing:

(1) An electronic transmission by this corporation to a member is not authorized unless, in addition to satisfying the requirements of this Section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper in non-electronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (c) the procedures the recipient must use to withdraw consent.

(2) Notice shall not be given by electronic transmission by the corporation after either of the following: (a) the corporation is unable to deliver two consecutive notices to the member by that means or (b) the inability so to deliver the notices to the member becomes known to the Secretary, any Assistant Secretary, or any other person responsible for the giving of the notice.

SECTION 12. AFFIDAVIT OF MAILING.

An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the Secretary, Assistant Secretary, or any transfer agent of the corporation, and if so executed, shall be filed and maintained in the corporation's minute book.

SECTION 13. QUORUM.

a. A majority in attendance of the voting power of the corporation shall constitute a quorum for the transaction of business at any meeting of members. For purposes of this Bylaw provision, "**voting power**" means the Active Members and does not include the right to vote on the happening of some condition or event which has not yet occurred.

b. If, however, the attendance at any general or annual meeting, is less than a majority of the voting power, the Active Members may vote only on matters as to which notice of their general nature was given under Section 9 of this Article IV.

c. Except as otherwise required by law, the Articles of Incorporation, or these Bylaws, the Active Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough Active Members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Active Members required to constitute a quorum.

SECTION 14. ELIGIBILITY TO VOTE.

Subject to the California Nonprofit Mutual Benefit Corporation Law, Active Members in good standing on the record date as determined under Sections 25 and 26 of this Article IV shall be entitled to vote at any meeting of members.

SECTION 15. MANNER OF VOTING.

Voting shall be by ballot, unless approved by the unanimous voice vote of the Active Members present at the annual meeting. Cumulative voting shall not be authorized for the election of Directors or for any other purpose.

SECTION 16. NUMBER OF VOTES.

Each Active Member entitled to vote may cast one vote on each matter submitted to a vote of the members.

SECTION 17. MAJORITY APPROVAL.

If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Mutual Benefit Corporation Law or by the Articles of Incorporation.

SECTION 18. WAIVER OF NOTICE OR CONSENT.

a. The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, not present in person, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in Section 9 of this Article IV, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

b. A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

SECTION 19. ACTION BY UNANIMOUS WRITTEN CONSENT.

Any action required or permitted to be taken by the Active Members may be taken without a meeting, if all Active Members consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the Active Members.

SECTION 20. ACTION BY WRITTEN BALLOT.

Any action except election of Directors that Active Members may take at any meeting of Active Members may also be taken without a meeting by complying with the provisions of this Article IV.

SECTION 21. SOLICITATION OF BALLOTS.

a. This corporation shall distribute one written ballot to each Active Member entitled to vote on the matter. The ballot and any related material may be sent by electronic transmission by the corporation, and responses may be returned to the

corporation by electronic transmission that meets the requirements of Section 11 of this Article IV. All solicitations of votes by written ballot shall (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots other than for election of Directors, the percentage of approvals necessary to pass the measure or measures; and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall: (1) set forth the proposed action; (2) give the Active Members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballot to the corporation.

b. If the corporation has 100 or more Active Members, any written ballot distributed to ten or more Active Members shall provide that, subject to reasonable specified conditions, if the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification.

c. In any election of Directors, a written ballot that an Active Member marks "withhold", or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a Director.

SECTION 22. APPROVAL REQUIREMENTS.

Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

SECTION 23. WRITTEN BALLOTS AS IRREVOCABLE.

A written ballot may not be revoked.

SECTION 24. FILING BALLOTS.

All written ballots, except in election of Directors/Officers, shall be filed with the Secretary of the corporation and maintained in the corporate records for at least five (5) years.

SECTION 25. RECORD DATE FOR NOTICE, VOTING, WRITTEN BALLOTS AND OTHER BOARD ACTIONS.

For purposes of establishing the Active Members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board of Directors may, in advance, fix a record date. The record date so fixed for:

- a. Sending notice of a meeting shall be no more than 90 or less than 10 days before the date of the meeting;
- b. Voting at a meeting shall be no more than 90 days before the date of the meeting;
- c. Voting by written ballot shall be no more than 90 days before the day on which the first written ballot is mailed or solicited; and
- d. Taking any other action shall be no more than 60 days before that action.

SECTION 26. RECORD DATE FOR ACTIONS NOT SET BY BOARD.

a. If not otherwise fixed by the Board of Directors, the record date for determining Active Members entitled to receive notice of a meeting of members shall be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held. If not otherwise fixed by the Board of Directors, the record date for determining Active Members entitled to vote at the meeting shall be the day on which the meeting is held.

b. If not otherwise fixed by the Board of Directors, the record date for determining Active Members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

c. If not otherwise fixed by the Board of Directors, the record date for determining Active Members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board of Directors adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

d. For purposes of Sections 25 and 26 of this Article IV, a person holding a membership at the close of business on the record date shall be a member of record.

SECTION 27. ADJOURNMENT; NOTICE.

Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the Active Members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than 90

days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned (or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate) are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each Active Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

SECTION 28. PROXIES.

a. Each Active Member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the member and filed with the secretary of the corporation. A proxy shall be deemed signed if the member's name is placed on the proxy by the member or the member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission, or otherwise.

b. If the corporation has 100 or more members, any form of proxy distributed to ten (10) or more members shall give the member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In an election of directors, any form of proxy that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote for the election of Directors is withheld, shall not be voted either for or against the election of a Director.

c. Any revocable proxy covering matters for which a vote of the Active Member is required shall not be valid unless the proxy sets forth, the general nature of the matter to be voted on. Such matters include amendments to the Articles of Incorporation; amendments to the Articles of Incorporation or to the Bylaws changing proxy rights; removal of Directors without cause; filling vacancies on the Board of Directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all corporate assets unless the transaction is in the usual and regular course of the corporation's activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the corporation; contracts or

transactions between the corporation and one or more Directors or between the corporation and an entity in which a director has a material financial interest; or a plan of distribution of assets other than money to members when the corporation is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes.

d. No proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be three (3) years after the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by Corporations Code §7613. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until either:

(1) It is revoked by the member executing it before the vote is cast under that proxy,

(a) by a writing delivered to the corporation stating that the proxy is revoked,

(b) by a subsequent proxy executed by that member and presented to the meeting, or

(c) as to any meeting, by the member's personal attendance and voting at the meeting; or

(2) Written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under the proxy is counted.

ARTICLE V. DIRECTORS

SECTION 1. GENERAL POWERS OF BOARD.

Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or these Bylaws regarding actions that require approval of the Active Members, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

SECTION 2. SPECIFIC POWERS OF BOARD.

Without prejudice to the general powers set forth in Section 1 of this Article V, but subject to the same limitations, the Board shall have the power to do the following:

a. Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for 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 the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in or outside California for holding any meeting of members.

c. Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

d. Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

SECTION 3. NUMBER AND QUALIFICATIONS OF DIRECTORS.

a. The Board of Directors shall consist of four (4) elected Officers, as follows: a President (who shall also be the Chair of the Board and Chief Executive Officer); a Vice President (who shall also be the President-Elect); a Secretary; a Treasurer (who shall also be the Chief Financial Officer); the Immediate Past President (non-elected), six (6) elected Directors; the Retirement Board Representative and/or the Alternate Retirement Board Representative. Collectively, the Officers and Directors shall be known be known as the Board of Directors.

b. The Directors of the corporation shall be residents of the State of California. Each Director shall be an Active Member of the corporation in good standing.

c. The voting members of the Board of Directors, who each shall have one vote, shall consist of: OFFICERS: President, Vice President, Secretary, Treasurer, Immediate Past President; and, DIRECTORS: Six (6) elected Directors.

d. The Retirement Board Representative and the Alternate Retirement Board Representative shall have one vote between them to vote on any matters of business.

SECTION 4. TERMS OF DIRECTORS.

a. Upon election, officers shall serve for a term of two years or until a successor has been duly qualified and elected. The elected directors will also serve two year terms. Officers shall be elected on odd-numbered years, and Directors shall be elected on even-numbered years.

b. No officer or director shall serve more than two successive terms in the same office. An exception may be made when there is no candidate available or willing to serve; in that event the term may be extended upon a vote of the membership.

c. The President shall, unless re-elected as President, automatically serve an additional two (2) year term on the Board of Directors as Immediate Past President, without election by the Active Members. If the President is re-elected as President, then the Immediate Past President shall also serve an additional term on the Board of Directors without re-election by the Active Members.

SECTION 5. NOMINATING BY MEMBERSHIP COMMITTEE.

The President shall appoint a Nominating Committee of not less than three members for the nomination of Officers/Directors for the succeeding year at the March general meeting.

The Membership Committee shall nominate qualified candidates for election to the Board of Directors at least sixty (60) days before the date of any election of Directors/Officers. The Membership Committee shall make its report to the Board of Directors at least thirty (30) days before the date of the election to be held at the annual member meeting in September, or at such other time as the Board of Directors may set, and the Secretary shall forward to each Active Member, with the notice of meeting required by these Bylaws, a list of all candidates nominated by Membership Committee.

SECTION 6. NOMINATIONS BY MEMBERS.

Members representing two percent (2%) of the voting power may nominate candidates for Directors/Officers by petition. The petition must be signed by those Active Members within two (2) months preceding the next time Directors are to be elected, and delivered to an officer of the corporation. On timely receipt of the petition signed by the required number of members, the Secretary shall cause the names of the candidates named on it to be placed on the ballot along with the names of the candidates chosen by the Membership Committee.

SECTION 7. FLOOR NOMINATIONS.

When a meeting is held for the election of Directors/Officers, any Active Member present at the meeting in person or by proxy may place names in nomination with the consent of the Active Member so nominated. However, no candidate may be elected or voted for unless they have been contacted and have agreed to have their name placed in nomination.

SECTION 8. NOMINEE'S RIGHT TO SOLICIT VOTES.

The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to Active Members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all Active Members to choose among the nominees.

SECTION 9. USE OF CORPORATE FUNDS.

If more people have been nominated for Director than can be elected, no corporate funds may be expended to support a nominee without the Board's authorization.

SECTION 10. ELECTION OF DIRECTORS.

Directors or Officers shall be elected at the annual meeting of the members (to be held in September or as otherwise determined by the Board of Directors) by vote of the Active Members, to begin their term. The number of Directors to be elected at each annual members meeting shall be to replace those Directors whose terms are expiring and in order to fill any vacancies on the Board of Directors not otherwise filled by the Board of Directors. At the annual member meeting, the Membership Committee shall present for voting the slate of Directors (including those who are to be appointed also as officers) for election. The candidates receiving the highest number of votes for their respective positions shall be elected. Directors shall be eligible for re-election provided they continue to meet the qualifications required by Section 3.b. of this Article V. If Directors are not elected at an annual meeting, they may be elected at any special meeting of the Active Members held for that purpose or by written ballot. Each Director, including a Director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office until expiration of the term for which elected *and* until a successor is elected and qualified.

SECTION 11. INSPECTORS OF ELECTION.

a. If election is by written ballot, an "Election Committee" shall be appointed by the President and confirmed by the Board of Directors.

b. The Elections Committee shall act as Inspectors of Election, supervise the election and shall tabulate and certify to the President and Secretary the number of votes cast for each candidate on the ballot.

c. The inspectors of election during any members' meeting shall perform the following duties:

(1) Determine the number of voting Active Members outstanding and the voting power of each, the number represented at the meeting, and, the existence of a quorum;

(2) Receive votes, ballots, or consents;

(3) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(4) Count and tabulate all votes and consents;

(5) Determine when the polls shall close;

(6) Determine the result; and

(7) Do such acts as may be proper to conduct the election or vote with fairness to all members.

The Inspectors shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical.

d. If there are three (3) inspectors of election, the decision, act, or certificate of a majority is effective in all respects as the decision, act, or certificate of all.

e. On request of the Chairman or any Active Member, the inspectors of election shall make a report in writing concerning the performance of their duties and execute a certificate of any fact found by them. Any report or certificate made by the inspectors shall be prima facie evidence of the facts stated therein.

f. After tabulation is completed, the Committee shall seal the ballots in an envelope and deliver them to the REMCOAI Secretary, who shall keep the ballots for sixty (60) days for inspection or recount by a candidate, and immediately after the expiration of 60 days, the ballots shall be destroyed.

g. The Election Committee shall be discharged after completion of the election.

SECTION 12. VACANCIES ON BOARD.

a. A vacancy or vacancies on the Board of Directors shall occur in the event of (1) the death, removal, or resignation of any Director; (2) the declaration by Board resolution of a vacancy in the office of a Director who has been declared of unsound mind by a court order, convicted of a felony, or, if the corporation holds assets in charitable trust, found by a final order or judgment of any court to have breached a duty arising under Corporations Code §7238; (3) the vote of the Active Members or, if the corporation has fewer than 50 Active Members, the vote of a majority of the Active Members, to remove any Director(s); (4) an increase in the authorized number of Directors; (5) a failure of the Active Members, at any meeting of Active Members at which any Director or Directors are to be elected, to elect the number of Directors required to be elected at that meeting; or, (6) upon vote of the Board of Directors when a Director has missed three (3) consecutive meetings without giving prior notice to the corporation's administrative assistant or another Director of the Director's absence and the reason therefore.

b. If the position of Immediate Past President becomes vacant, this vacancy may only be filled by another past President of this corporation or of REMCO (predecessor) who shall be appointed by the Board of Directors as provided in Section 14., below.

c. If the position of Secretary or Treasurer becomes vacant, this vacancy shall be filled by appointment by the President as approved by the Board of Directors as provided in Section 14., below.

SECTION 13. RESIGNATION OF DIRECTORS.

Except as provided below, any Director may resign by giving written notice to the President or the Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective.

SECTION 14. VACANCIES FILLED BY BOARD.

Except for a vacancy created by the removal of a Director by the Active Members, vacancies on the Board of Directors may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code §7211 (or successor statute), or (3) a sole remaining Director. The Active Members may fill any vacancy not filled by the Directors.

SECTION 15. VACANCIES FILLED BY MEMBERS.

The Active Members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors. Any reduction of the authorized number of Directors shall not result in any Director being removed before his or her term of office expires.

SECTION 16. LOCATION OF BOARD MEETINGS.

Meetings of the Board of Directors shall be held at any place within or outside California that has been designated by resolution of the Board of Directors or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

SECTION 17. MEETINGS BY TELECOMMUNICATION.

Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply:

- a. Each Director participating in the meeting can communicate concurrently with all other Directors; and
- b. Each Director is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

SECTION 18. ANNUAL MEETING OF BOARD.

The annual organizational and planning meeting of the Board of Directors shall be held in September each year as scheduled by the President. The outgoing and incoming Board members shall be invited to this meeting.

SECTION 19. REGULAR BOARD MEETINGS.

Regular Board of Director meetings shall be held monthly, except immediately before the regular quarterly member meetings in **March, June, September, and December**. Other general meetings of the Board of Directors may be held without notice at such time and place as the Board of Directors may fix from time to time.

SECTION 20. SPECIAL MEETINGS.

Special meetings of the Board of Directors for any purpose may be called at any time by the Chair of the Board, if any, the President or any Vice President, the Secretary, or any two Directors.

SECTION 21. NOTICE OF SPECIAL MEETINGS.

a. Notice of the time and place of special meetings of the Board of Directors shall be given to each Director by (1) personal delivery of written notice; (2) first-class mail, postage prepaid; (3) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (4) facsimile; (5) electronic mail; or (6) other electronic means. All such notices shall be given or sent to the Director's address or telephone number as shown on the corporation's records.

b. Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or sent, respectively, at least 48 hours before the time set for the Board of Directors meeting.

c. The notice shall state the time of the meeting and the place, if the place is other than the corporation's principal office. The notice need not specify the purpose of the meeting.

SECTION 22. QUORUM.

Fifty percent plus one of the number of Directors duly elected and in office shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision 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, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, the provisions on (1) approval of contracts or transactions between this corporation and one or more Directors or between this

corporation and any entity in which a Director has a material financial interest, (2) creation of and appointments to committees of the Board of Directors, and (3) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

SECTION 23. WAIVER OF NOTICE.

Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

SECTION 24. ADJOURNMENT.

A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

SECTION 25. NOTICE OF ADJOURNED MEETING.

Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

SECTION 26. BOARD ACTION WITHOUT MEETING.

Any action that the Board of Directors is required or permitted to take may be taken without a meeting if all Directors consent in writing to the action, Such action by written consent shall have the same force and effect as any other validly approved Board of Directors action. All such consents shall be filed with the minutes of the proceedings of the Board of Directors.

SECTION 27. DIRECTOR COMPENSATION.

The Directors shall serve without compensation.

SECTION 28. BOARD COMMITTEES.

The Board of Directors, by resolution adopted by a majority of the Directors then in office, may create one or more committees, consisting of Benefits, Membership, Finance, Executive and Nominating, each consisting of two or more Directors and no one who is not a Director, to serve at the pleasure of the Board. The President shall, within 60 days after the September general meeting, appoint members to the standing committees, subject to confirmation by the Board of Directors. All members of such committees shall serve for a period of one year and until their successors are appointed. Vacancies occurring may be filled by appointment by the chairperson of the committee concerned, with the approval of the Board of Directors. The President shall designate the chairperson of each committee, subject to ratification by the Board of Directors.

Any such committee shall have all the authority of the Board of Directors, to the extent provided in the Board resolution, except that no committee may do the following:

- a. Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- b. Fill vacancies on the Board of Directors or any committee of the Board;
- c. Fix compensation of the Directors for serving on the Board or on any committee;
- d. Amend or repeal Bylaws or adopt new Bylaws;
- e. Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;
- f. Create any other committees of the Board of Directors or appoint the members of committees of the Board of Directors;
- g. Expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected;

h. Approve any contract or transaction to which the corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Corporations Code §7233(d)(3).

SECTION 29. MEMBERSHIP COMMITTEE.

The Membership Committee shall be a standing committee appointed by the President from time to time. The Membership Committee shall promote membership of the corporation and market the benefits of the corporation to potential new members. The Membership Committee shall also serve as the nominating committee for elections to the Board of Directors.

SECTION 30. DELEGATES

REMCO will maintain membership in California Retired County Employees Association (CRCEA) unless the Board or membership votes to terminate that membership.

(a) The President shall appoint a delegate and Alternate Delegate to each conference of CRCEA.

(b) The delegate and or alternate delegate shall represent REMCO as a voting member at the biannual conferences of CRCEA.

(c) The delegate shall report and provide the Board of Directors a written report on the issues voted upon and the outcome of such voting by the general membership of CRCEA at the next scheduled REMCO general membership meeting following the CRCEA Conference as well as any other pertinent information.

SECTION 31. COMMITTEE MEETINGS.

Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of these Bylaws concerning meetings and other Board actions, except that the time for general meetings of Board committees and the calling of special meetings of Board committees may be set either by Board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee as long as the rules are consistent with these Bylaws. if the Board has not adopted rules, the committee may do so.

ARTICLE VI. OFFICERS

SECTION 1. OFFICERS.

The officers of this corporation shall be a President (who shall also be the Chair of the Board and Chief Executive Officer); Vice President (who shall also be the President-Elect); Secretary; and, Treasurer (who shall also be the Chief Financial Officer). The corporation, at the Board's discretion, may also have additional Vice Presidents, one or more assistant secretaries, one or more assistant Treasurers, and such other officers as may be appointed under Section 2 of this Article VI.

SECTION 2. ELECTION OF OFFICERS.

The officers of this corporation shall be elected by vote of the Active Members at an annual meeting of the members. All officers shall serve on the Board of Directors as provided in Article V, Section 3 of these Bylaws. No person shall hold more than one office at a time.

SECTION 3. ADDITIONAL OFFICERS.

The Board of Directors may appoint and authorize other officers that the corporation may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the Bylaws or established by the Board.

SECTION 4. RESIGNATION OF OFFICERS.

Any officer may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

SECTION 5. VACANCIES.

A vacancy in any office shall be the same as for the Board of Directors as provided in Article V, Section 12, with vacancies of officers filled as provided in Article V, Sections 14 and 15.

SECTION 6. RESPONSIBILITIES OF PRESIDENT.

The President of the corporation shall also serve as the Chair of the Board of Directors and Chief Executive Officer of the corporation. Subject to the control of the Board of Directors, the President shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers. The President shall preside at all members' meetings and at all Board meetings, and shall be an ex officio member of all committees. The President shall have such other powers and duties as the Board or the Bylaws may require, including the right and duty to independently sign outgoing bank checks of the corporation in any emergency situation that may be needed to accomplish the intent of these Bylaws. Upon expiration of the term as President, the President shall automatically serve an additional two-year term on the Board of Directors as Immediate Past President without election by the Active Members. The President, the Vice President, Secretary, Treasurer and the Immediate Past President are the Executive Committee responsible to act on all emergency matters arising between Board meetings and to act on any matters referred to it by the Board of Directors.

SECTION 7. RESPONSIBILITIES OF VICE PRESIDENT.

The Vice President shall assist the President at all times and, if the President is absent or disabled, the Vice President shall perform all duties of the President. When so acting, the Vice President shall have all powers of and be subject to all restrictions on the President. The Vice President shall have such other powers and duties as the Board or the Bylaws may require, including to serve as a member of the Executive Committee.

SECTION 8. RESPONSIBILITIES OF SECRETARY.

a. The Secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board of Directors, of committees of the Board of Directors, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice

given; the names of persons present at Board and committee meetings; and the number of members present or represented at members' meetings.

b. The Secretary shall keep or cause to be kept, at the principal California office, a copy of the Articles of Incorporation and Bylaws, as amended to date.

c. The Secretary shall keep or cause to be kept, at the corporation's principal office or at a place determined by resolution of the Board, a record of the corporation's members, showing each member's name, address, and class of membership.

d. The Secretary shall give, or cause to be given, notice of all meetings of members, of the Board, and of committees of the Board that these Bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require. The Secretary shall serve as a member of the Executive Committee. The Secretary may delegate one or more of the above duties or responsibilities to one or more Assistant Secretaries as approved by the Board.

SECTION 9. RESPONSIBILITIES OF TREASURER/CHIEF FINANCIAL OFFICER.

a. The Treasurer/Chief Financial Officer 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 Treasurer/Chief Financial Officer shall send or cause to be given to the members and Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.

b. The Treasurer/Chief Financial Officer shall (1) 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; (2) disburse the corporation's funds as the Board may order; (3) render to the President, chair of the Board, if any, and the Board, when requested, an account of all transactions as Treasurer/Chief Financial Officer and of the financial condition of the corporation; (4) shall serve as a member of the Executive Committee and (5) have

such other powers and perform such other duties as the Board or the Bylaws may require.

c. If required by the Board of Directors, the Treasurer/Chief Financial Officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Treasurer/Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

SECTION 10. RESPONSIBILITIES OF THE IMMEDIATE PAST PRESIDENT

The Immediate Past President shall serve as a member of the Executive Committee, and may fill a vacancy for another Immediate Past President. The Immediate Past President shall have other powers and perform such other duties as may from time to time be prescribed by the Board of Directors.

ARTICLE VII. GENERAL CORPORATE MATTERS

SECTION 1. AUTHORIZED SIGNATORIES FOR CHECKS.

All checks, drafts, other orders for payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner authorized from time to time by resolution of the Board of Directors.

SECTION 2. EXECUTING CORPORATE CONTRACTS AND INSTRUMENTS.

Except as otherwise provided in the Articles of Incorporation or in these Bylaws, the Board of Directors by resolution may authorize any officer, officers, agent, or agents to enter into any contract or to execute any instrument in the name of and on behalf of the corporation. This authority may be general or it may be confined to one or more specific matters. No officer, agent, employee, or other person purporting to act on behalf of the corporation shall have any power or authority to bind the corporation in any way, to pledge the corporation's credit, or to render the corporation liable for any purpose or in any amount, unless that person was acting with authority duly granted by the Board of Directors as provided in these Bylaws, or unless an unauthorized act was later ratified by the corporation.

SECTION 3. CONTRACTS WITH DIRECTORS.

No Director of this corporation nor 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 other transaction with this corporation unless (1) the material facts as to the transaction and such Director's interest are fully disclosed or known to the members and such contract or transaction is approved by the members in good faith, with any membership owned by any interested Director not being entitled to vote thereon, or (2) the material facts regarding such Director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes or are known to all Directors before consideration by the Board of such contract or transaction, and 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 of the interested Director.

SECTION 4. LOANS TO DIRECTORS AND OFFICERS.

This corporation shall not lend any money or property to, or guarantee the obligation of, any Director or officer of the corporation unless (1) the Board decides that the loan or guaranty may reasonably be expected to benefit the corporation, and (2) before consummating the transaction or any part of it, the loan or guaranty is approved by either the Active Members, without counting the vote of the Director or officer, if a member, or the vote of a majority of the Directors then in office, without counting the vote of the Director who is to receive the loan or guaranty.

SECTION 5. INDEMNIFICATION,

a. To the fullest extent permitted by law, this corporation shall indemnify its Directors and officers, and may indemnify employees and other persons described in Corporations Code §7237(a), including persons formerly occupying any 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 that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section.

"**Expenses,**" as used in this Section, shall have the same meaning as in that section of the Corporations Code.

b. On written request to the Board of Directors by any person seeking indemnification under Corporations Code §7237(b) or §7237(c), the Board of Directors shall promptly decide under Corporations Code §7237(e) whether the applicable standard of conduct set forth in Corporations Code §7237(b) or §7237(c) has been met and, 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 Board shall promptly call a meeting of Active Members. At that meeting, the Active Members shall determine under Corporations Code §7237(e) whether the applicable standard of conduct has been met and, if so, the Active Members present at the meeting shall authorize indemnification.

c. To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under Section 5 of this Article VI in defending any proceeding covered by this Section 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 found that the person is entitled to be indemnified by the corporation for those expenses.

SECTION 6. INSURANCE.

This corporation shall have the right, and shall use its good faith and commercially reasonable efforts, in order to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising from the officer's, Director's, employee's, or agent's status as such.

SECTION 7. AMENDMENT OF BYLAWS.

These Bylaws may be amended or repealed, and new Bylaws may be adopted by a vote of a majority of those in attendance of the Active Members. The Board of Directors may also amend portions of these Bylaws except as to matters which require approval of the Members pursuant to California Corporations Code § 7050(a) (or successor statute), which matters may only be amended by a vote of a majority of those in attendance of the Active Members. As of the adoption of these Bylaws, amendments to these Bylaws which shall require approval of a majority vote of the Active Members include: actions that would materially and adversely affect the rights of members as to voting, dissolution, redemption, or transfer; increase or decrease the number of members authorized or in total or for any class; effect an exchange, reclassification, or cancellation of all or part of the memberships; or authorize a new class of membership. Amendments to these Bylaws shall become effective at the close of the meeting at which the amendment or amendments are adopted.

SECTION 8. INSPECTION OF ARTICLES AND BYLAWS.

This corporation shall keep at its principal California office the original or a copy of the Articles of Incorporation and Bylaws, as amended to the current date, which shall be open to inspection by the members at all reasonable times during office hours. If the corporation has no business office in California, the Secretary shall, on the written request of any member, furnish to that member a copy of the Articles of Incorporation and Bylaws, as amended to the current date.

SECTION 9. DIRECTORS' INSPECTION RIGHTS.

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

SECTION 10. ANNUAL REPORT.

- a. The corporation's fiscal year shall be from **October 1 through September 30.**
- b. The Board shall cause an "**Annual Report**" to be prepared within 120 days after the end of the corporation's fiscal year. The Annual Report shall contain the following information in appropriate detail:
 - (1) A balance sheet as of the end of the fiscal year, an income statement, and statement of cash flows for the fiscal year, accompanied by an independent accountant's report or, if none, by the certificate of an authorized officer of the corporation that they were prepared without audit from the corporation's books and records;
 - (2) A statement of the place where the names and addresses of current members are located; and
 - (3) Any information required by these Bylaws.
- c. This corporation shall annually notify each member of the member's right to receive a copy of the financial report under this Section. Except as provided in the next paragraph of this Section, on written request by a member, the Board shall promptly cause the most recent Annual Report to be sent to the requesting member. If the Board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.
- d. This Section shall not apply if the corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year.

SECTION 11. ANNUAL STATEMENT.

As, part of the Annual Report to all members, or as a separate document if no Annual Report is issued, the corporation shall annually prepare and mail, deliver, or send by electronic transmission to its members and furnish to its Directors a statement of any transaction or indemnification of the following kinds within 120 days after the end of the corporation's fiscal year:

- a. Unless approved by members under Corporations Code §7233(a), any

transaction (a) to which the corporation, its parent, or its subsidiary was a party, (b) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (c) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):

(1) Any Director or officer of the corporation, its parent, or its subsidiary;

(2) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction, and, when practicable, the amount of that interest, except that, in a partnership in which such person is a partner, only the partnership interest need be stated.

b A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the corporation, unless the loan, guaranty, indemnification, or advance has already been approved by the members, or the loan or guaranty is not subject to Corporations Code §7235(a).

CERTIFICATE OF SECRETARY

I certify that:

I am the duly elected and acting Secretary of RETIRED EMPLOYEES OF MERCED COUNTY ASSOCIATION, INC., a California nonprofit mutual benefit corporation;

These Bylaws, consisting of thirty-nine (39) pages, are the Bylaws of this corporation as adopted by the Board of Directors on February 3rd, 2014; and,

These Bylaws have not been amended or modified since that date.

Executed on February 3, 2014, at Merced, California.

LaVon Justice
LaVON JUSTICE, Secretary