



AGENDA

Please turn off all cell phones while meeting is in progress.

STALLION SPRINGS COMMUNITY SERVICES DISTRICT
27800 STALLION SPRINGS DRIVE, TEHACHAPI, CA 93561

BOARD OF DIRECTORS SPECIAL BOARD MEETING
TUESDAY, AUGUST 20, 2019 @5:00 PM

- 1) **Flag Salute**
- 2) **Call to Order**
- 3) **Roll Call:**

Directors present:

Directors absent:

- 4Sp) Approval for the formation of a 501©3 nonprofit foundation called "Support Stallion Springs Foundation".
- 5Sp) Discussion of 2019 Fiscal Year and future needs of the District.
- 6Sp) Golf Course discussion. (No documentation for this item, verbal discussion only).

BOARD OF DIRECTORS REGULAR BOARD MEETING
TUESDAY, AUGUST 20, 2019 @6:00 PM

- 1) **Reserved for President's Comments and Addendum.**
- 2) **PUBLIC PRESENTATIONS** – This portion of the meeting is reserved for persons desiring to address the Board on any matter not on this agenda and over which this Board has jurisdiction. "Please be advised however, the Brown Act prohibits action on items that are not listed on the Agenda, or properly added to the Agenda under the provisions of the Brown Act. The Board may set such items for consideration at some future Board meeting." Speakers are limited to three (3) minutes. PLEASE STEP TO THE PODIUM TO MAKE YOUR PRESENTATION. STATE YOUR NAME AND ADDRESS FOR THE RECORD, before making your presentation. Thank you.
- 3) **BOARD MEMBER ITEMS** – This portion of the meeting is reserved for Directors to present to the Board and to the public, information, announcements and items that have

come to their attention. No formal action will be taken. A Board member may request that an item be placed, for consideration, at a future Board meeting.

- 4) Approval to reject road contract bid.
- 5) Approval of the transfer of monies for fiscal year ending June 30, 2019.
- 6) Approval to move \$500,000 from Capital Reserve Administrative to Bank of the West Checking.
- 7) Approval of Resolution No. 2019-22, a resolution approving the form and authorizing the execution of a memorandum of understanding and authorizing participation in the Special District Risk management Authority's health Benefits Program.
- 8) Approval for Stallion Springs C.S.D to approve and join the County of Kern Operational Area Disaster Response Mutual Aid Agreement.
- 9) Approval of the July 16, 2019 Regular Board Meeting Minutes and the August 7th, 2019 Special Board Meeting Minutes for the RoundTable Legislative Discussion.
- 10) Approval of Checks for July 2019 and the CalPERS Retirement Payments.
- 11) Financial Reports.
- 12) Police Report.
- 13) General Manager's Report.
- 14) Motion to adjourn.

ADA compliance statement: In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the General Manager, David Aranda, at 661-822-3268. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Posted August 16, 2019



STALLION SPRINGS COMMUNITY SERVICES DISTRICT

27800 STALLION SPRINGS DRIVE, TEHACHAPI, CA 93561
(661) 822-3268, FAX (661) 822-1878, sscsd@stallionspringscsd.com

AGENDA SUPPORTING INFORMATION

Agenda #4 Sp.

Subject: Approval for the formation of a 501©3 nonprofit foundation called "Support Stallion Springs Foundation".

Submitted by: David Aranda, General Manager

Meeting Date: August 20, 2019

Background: The Board approved moving forward with a nonprofit foundation that is directly under the oversight of the Stallion Springs Community Services District.

Attached are the Articles of Incorporation and the Bylaws for the Foundation.

The following action is required:


1. Ratify the Articles of Incorporation.
2. Approve the Bylaws.
3. Appoint the five individuals to make up the Foundations Board of Directors.
4. Establish the first Board Meeting for the Foundation.

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FILED
SECRETARY OF STATE
STATE OF CALIFORNIA

**ARTICLES OF INCORPORATION
OF
SUPPORT STALLION SPRINGS FOUNDATION**

JUL 12 2019
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**ARTICLE I
NAME**

The name of this corporation is SUPPORT STALLION SPRINGS FOUNDATION ("Corporation").

**ARTICLE II
PURPOSES**

A. This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific purposes of this Corporation are to: (i) provide support for public park facilities, recreation programs and public safety programs which benefit the residents of Stallion Springs and the Greater Tehachapi Region, (ii) engage in any other activities in furtherance of the purposes for which the Corporation is formed; and (iii) receive, invest and utilize funds, property and in-kind materials or service acquired through the solicitation of contributions, donations, grants, gifts, and bequests and the like for the purposes for which the Corporation is formed.

**ARTICLE III
INITIAL AGENT FOR SERVICE OF PROCESS**

The name and address in the State of California of the Corporation's initial agent for service of process is:

Isabel C. Safie
BEST BEST & KRIEGER LLP
3390 University Avenue, 5th Floor
Riverside, California 92501

**ARTICLE IV
INITIAL STREET AND MAILING ADDRESS**

The initial street and mailing address of the Corporation is:

27800 Stallion Springs Drive
Tehachapi, California 93561

ARTICLE V
LIMITATION ON CORPORATE ACTIVITIES

A. The Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code").

B. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purposes of the Corporation, and the Corporation shall not carry on any other activities not permitted to be carried on by (a) a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

C. No substantial part of the activities of the Corporation shall consist of lobbying or carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

ARTICLE VI
DEDICATION AND DISSOLUTION

A. The property of the Corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of the Corporation shall ever inure to the benefit of any director, officer or member thereof, or to the benefit of any private persons.


B. Upon the dissolution or winding up of the Corporation, and after paying or adequately providing for its debts and obligations, the remaining assets of the Corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established and maintained its tax-exempt status under Section 501(c)(3) of the Code, or to the Stallion Springs Community Services District, provided such assets are used for the purposes for which the Corporation was established.

C. If the Corporation holds any assets in trust then such assets shall be disposed of on dissolution in conformity with these Articles of Incorporation or the bylaws for the Corporation subject to complying with the provisions of any trust under which such assets are held. The disposition shall be in such manner as may be directed by decree of the Superior Court of the county in which the Corporation has its principal offices, on petition therefor by the Attorney General or by any person concerned in the liquidation, in a proceeding to which the Attorney General is as party. Such decree of the Superior Court may be waived if the Attorney General makes a written waiver of objections to the disposition.

ARTICLE VII
AMENDMENTS

Except as may be otherwise specified under provisions of law, new articles may be adopted or these Articles may be amended or repealed by the vote of a majority of the Board of Directors at a meeting duly called for that purpose; except as otherwise provided in by these Articles or the bylaws. All amendments to these Articles, or an attempt to repeal these Articles, and any amendment or repeal of that amendment, must be approved in writing by the Board of Directors of Stallion Springs Community Services District.

Date: July 12, 2019.


ISABEL C. SAFIE
Incorporator



I hereby certify that the foregoing transcript of 2 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

JUL 20 2019

Date: _____

Alex Padilla
ALEX PADILLA, Secretary of State

BYLAWS
OF
SUPPORT STALLION SPRINGS FOUNDATION
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

ARTICLE I
ORGANIZATION

1.1 Name. The name of this Foundation is SUPPORT STALLION SPRINGS FOUNDATION (“Foundation”).

1.2 Purpose. The Foundation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purposes of this Foundation are to:

- (a) Provide support for public park facilities, recreation programs and public safety programs which benefit the residents of Stallion Springs and the Greater Tehachapi Region;
- (b) Engage in any other activities in furtherance of the purposes for which the Foundation is formed; and
- (c) Receive, invest and utilize funds, property and in-kind materials or service acquired through the solicitation of contributions, donations, grants, gifts, and bequests and the like for the purposes for which the Foundation is formed.

1.3 Limitation on Corporate Activities. The Foundation is organized and operated exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”). The Foundation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Code, or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Code.

1.4 Dedication of Assets. The property of this Foundation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this Foundation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the Foundation, none of the assets of the Foundation shall be distributable to any director, officer or member thereof or to the benefit of any private person and any assets remaining after payment or provision for payment, of all debts and liabilities of this Foundation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established and maintained its tax-exempt status under Section 501(c)(3) of the Code or Stallion Springs Community Services District (“Stallion Springs CSD”), provided such assets are used for the purposes for which the Foundation was established.

1.5 Principal Office. The principal office for the transaction of the activities and affairs of this Foundation shall be located and maintained at 27800 Stallion Springs Drive, Tehachapi, California 93561. The Board (as that term is defined in Section 3.2 of these Bylaws)

is hereby granted full power and authority to change the location of the principal office of the Foundation from one location to another location in the City of Tehachapi or Kern County. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment of these Bylaws. The Foundation may also have offices at such other places, within or without Kern County, as its business may require and as the Board may designate.

ARTICLE II **MEMBERS**

The Foundation shall have no members as that term is defined by section 5056 of the California Foundations Code (“CCC”), and shall be governed solely by its Board in accordance with these Bylaws. Pursuant to section 5310(b) of the CCC, any action which would otherwise require approval by a majority of all members shall only require the approval of the Board. The Foundation may refer to persons or entities associated with it as “members” even though those persons or entities are not voting members, but no such reference shall constitute anyone a member within the meaning of section 5056 of the CCC.

ARTICLE III **DIRECTORS**

3.1 General and Specific Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation or these Bylaws, the Foundation’s activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. Without limiting the generality of the foregoing, the Board shall have the power and authority to exercise this Foundation’s rights as member or shareholder of any other corporation, venture or entity in which this Foundation has an interest as a member, shareholder or otherwise. In doing so, the Board may, by resolution authorize one (1) or more officers of this Foundation to represent this Foundation with respect to any matter to be acted upon by this Foundation as a member, shareholder or otherwise.

3.2 Authorized Directors. The authorized number of directors (“Directors”) of the board of directors (“Board”) of the Foundation shall be five (5). This shall be the exact number of Directors until changed within the limits specified herein by a duly adopted resolution of the Board. All five (5) of the Directors shall be designated by the Board of Directors of Stallion Springs Community Services District (“CSD Board”) subject to the following requirements: Two (2) of the Directors shall be appointed from among the current members of the CSD Board, one (1) Director shall be selected from among the management level employees of Stallion Springs CSD, one (1) Director shall be a resident of the service area served by Stallion Springs CSD; and one (1) Director shall be a business ~~owner~~ ^{Representative} within the service area served by Stallion Springs CSD.

3.3 Term of Office. The term of each Director shall be two (2) years, or until a successor has been elected and qualified. Director’s terms of office shall be established and maintained in such a manner that approximately one-half of the terms expire each year.

3.4 Interested Persons. None of the individuals serving on the Board may be “interested persons.”

3.4.1 As used in this Section 3.4, an “interested person” means:

(a) Any person compensated by the Foundation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a Director for his/her service as Director; and

(b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person.

3.4.2 Any violation of the provisions of this Section 3.4 shall not affect the validity or enforceability of any transaction entered into by the Foundation.

3.5 Resignations of Directors. Except as provided in these Bylaws, any Director may resign by giving written notice to the President or the Secretary. 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 becomes effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

3.6 Removal of Directors. A Director may be removed by action of the Board or CSD Board.

3.7 Vacancies. A vacancy on the Board shall exist on the occurrence of the following: (a) the death, disqualification, resignation, suspension, expulsion or termination of any Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of any court, convicted of a felony or found by final order of judgment of any court to have breached a duty under Article 3 of Chapter 2 of Division 3 of the CCC; or (c) the increase in the authorized number of Directors.

3.7.1 Removal of a Director for one or more of the reasons listed in (b) above may be initiated by any member of the Board.

3.7.2 A vacancy on the Board shall be filled in the same manner of selection as that used to select the Director whose office is vacant for the balance of the unexpired term and until a successor has been appointed.

3.7.3 No reduction in the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

3.8 Compensation of Directors. Directors shall receive no compensation for their services as Directors of the Foundation. However, they shall be entitled to receive such just and reasonable reimbursement of expenses as may be determined by the Board.

3.9 Inspection Rights of Directors. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Foundation during normal weekday business hours. If a Director wishes to be accompanied by an attorney during such inspection, then the inspection will be scheduled at a time when the Foundation's attorney will be present.

3.10 Standard of Care. A Director shall perform the duties of a director, including duties as a member of any committee of the Board on which the Director may serve, in good

faith, in a manner such Director believes to be in the best interest of the Foundation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared and presented by:

- (a) One or more officers or employees of the Foundation whom the Director believes to be reliable and competent in the matters presented;
- (b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, as long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

A person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director.

ARTICLE IV **MEETINGS OF THE BOARD**

4.1 In General. Notwithstanding any other provision in these Bylaws, all meetings of the Governing Board shall be held in compliance with the requirements of the Ralph M. Brown Act as set forth in Section 54950 et seq. of the California Government Code ("Brown Act") and all other requirements under the CCC.

4.2 Place of Meetings. Unless specified otherwise, meetings of the Board shall be held at the principal office of the Foundation.

4.3 Annual Meetings. The annual meeting of the Board ("Annual Meeting") shall be held during the first week of June of each year on a date and at a time designated by resolution of the Board. The Annual Meeting shall be held for the purpose of organization, election of Directors and officers and the transaction of such other business as may properly be brought before the meeting.

4.4 Regular Meetings. Regular meetings of the Board shall be held on such date and time as the Board shall determine from time to time.

4.5 Notice of Regular Meetings.

4.5.1 Notice to Directors. Notice of all regular meetings of the Board shall be given to each Director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages; (d) facsimile; (e) electronic mail; or (f) other

electronic means. Notices sent by first-class mail shall be deposited in the United States mail at least four (4) business 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 two (2) business days before the time set for the meeting. The notice shall state the time of the meeting and the place, if the place is other than the Foundation's principal office.

4.5.2 Public Notice. At least seventy-two (72) hours before the regular meeting, the Board shall post an agenda which contains a brief description of each item of business to be transacted or discussed at the meeting. The agenda shall specify the time and place of the regular meeting, and shall be posted in a location that is freely accessible to the public. The agenda shall provide an opportunity for members of the public to directly address the Board on any item of interest to the public, before or during the Board's consideration of the item, that is within the subject matter jurisdiction of the Board.

4.6 Special Meetings. Special meetings of the Board for any purpose or purposes may be called by the President, Secretary or a majority of the Directors.

4.7 Notice of Special Meetings.

4.7.1 Notice to Directors. Notice of the time and place of special meetings shall be given to each Director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the Director's address or telephone number as shown on the Foundation's records. Notices sent by first-class mail shall be deposited in the United States mail 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 forty-eight (48) hours before the time set for the meeting. The notice shall state the time of the meeting and the place, if the place is other than the Foundation's principal office.

4.7.2 Public Notice. Notice of all special meetings of the Board shall be given by delivering written notice to members of the media, as that term is narrowly defined for purposes of the Brown Act, requesting notice in writing, at least twenty-four (24) hours before the time of the meeting. The notice shall specify the time and place of the special meeting and the business to be transacted, and shall be posted at least twenty-four (24) ^{hours} days prior to the special meeting in a location that is freely accessible to the public. No other business shall be considered by the Board at these meetings

4.8 Waiver of Notice. Written notice may be dispensed with as to any Director who, at or prior to the time the meeting convenes, files with the Secretary a written waiver of notice, a written consent to the holding of the meeting, an approval of the minutes of the meeting, or who is actually present at the meeting when it convenes. All such waivers, consents and approvals shall be made a part of the minutes of the meeting.

4.9 Meetings by Telecommunications Equipment. Members of the Board may participate in a meeting through use of a conference telephone or electronic video screen communication. Participation in a meeting by this means constitutes presence in person at such meeting as long as all members participating in the meeting are able to hear one another. All meetings held by telecommunications equipment shall be held in compliance with the Brown Act.

4.10 Conduct of Meetings. Meetings of the Board shall be presided over by the President, or in his or her absence, by the Vice President.

4.11 Quorum. A majority of the authorized number of Directors then in office shall constitute a quorum for the transaction of any business except adjournment.

4.12 Required Vote of Directors.

4.12.1 In General. 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 Governing Board, subject to the more stringent provisions contained in these Bylaws or provided of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to: (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (b) approval of certain transactions between corporations having common directorships; (c) creation of and appointments of committees of the Governing Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting or such greater number as is required by the Articles of Incorporation, these Bylaws or by law.

4.11.2 Greater Vote Required. Notwithstanding Section 4.11.1, the amendment, or repeal of these Bylaws or adoption of new bylaws, and the amendment or restatement of the Articles of Incorporation requires the approval of two-thirds (2/3) of the authorized number of Directors and the consent of the CSD Board to the extent required under Article VIII.

4.13 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned more than twenty-four (24) hours, in which case 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.

ARTICLE V
COMMITTEES OF THE BOARD

5.1 Committees.

5.1.1 Generally. Except as limited by Section 5.2 of these Bylaws, the Board may by resolution adopted by a majority of the Directors then in office, designate one or more committees for any purposes and delegate to such committees any of the powers and authorities of the Board to the extent permitted by section 5212 of the CCC. All such committees shall consist of a number of Directors that will be determined by the Board as committees are established.

5.1.2 Committee Members. The chairperson and members of each special or advisory committee, except as otherwise provided by the Board or by these Bylaws, shall be appointed annually by the Board and may be removed by majority vote of the Directors then in office. Vacancies on any committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

5.1.4 Quorum; Meetings. Each committee shall meet as often as necessary to perform its duties, at such times and places as directed by its chairperson or by the Board. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee shall keep accurate minutes of its meetings, the chairperson designating a secretary of the committee for this purpose, and shall make periodic reports and recommendations to the Board.

5.1.5 Expenditures. Except as may otherwise be provided by the Board or by these Bylaws, any expenditure of corporate funds by a committee shall require prior approval of the Board.

5.2 Limitation on Delegation. In accordance with the CCC, the Board may not delegate any power of final action to any committee not composed entirely of Directors, and may not delegate to any committee the following powers:

- (a) the filling of vacancies on the Board or on any committee which has the authority of the Board;
- (b) the fixing of compensation of the Directors for serving on the Board or on any committee;
- (c) the amendment or repeal of Bylaws or the adoption of new Bylaws;
- (d) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) the appointment of committees of the Board or the members thereof;
- (f) the expenditure of corporate funds to support a nominee for Director after there are more persons nominated for Director than can be elected; or
- (g) the approval of any contract or transaction to which the Foundation 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 section 5233(d)(3) of the CCC.

5.3 Advisory Committees. Advisory committees may be appointed from time to time by the Board. Advisory committees' membership may consist of Directors only, both Directors and nondirectors, or nondirectors only. Advisory committees have no legal authority to act for the Foundation, shall serve only in an advisory capacity and shall report their findings and recommendations to the Board.

ARTICLE VI **OFFICERS**

6.1 Officers. The officers of this Foundation shall be a President, Vice President, Secretary and Treasurer. The Board may establish such other offices as it shall deem advisable. Additional officers so elected shall hold office for such period and shall have such powers and duties as the Board may authorize from time to time. Any number of offices may be held by the

same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President. No officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required to be executed, acknowledged or verified by two (2) or more officers.

6.1.1 President. The President shall serve as the President of the Board. The President shall preside at all meetings of the Board. The President shall exercise and perform such other powers and duties as the Board may assign from time to time.

6.1.2 Vice President. The Vice President shall serve as the Vice President of the Board. In the absence of the President, the Vice President shall preside at meetings of the Foundation and shall exercise and perform such other powers and duties as the Board may assign from time to time.

6.1.3 Secretary. In the absence of the President and Vice President, the Secretary shall preside at meetings of the Foundation. The Secretary shall keep or cause to be kept, at the Foundation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings and actions of the Board, and of meetings of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular or special, and if special, how authorized; the notice given; and the names of persons present at Board and committee meetings. The Secretary shall keep or cause to be kept written waivers of notice of meetings; written consents to holding meetings, written approval of minutes of meetings; and unanimous written consents of action of the Board without a meeting. The Secretary shall keep or cause to be kept, at the principal office of the Foundation, a copy of the Articles of Incorporation and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board that these Bylaws require to be given. The Secretary shall have such other powers and perform such other duties as the Board or these Bylaws may require.

6.1.4 Treasurer. The Treasurer shall keep and maintain, or cause to be kept, and maintained adequate and correct books and accounts of the Foundation's properties and transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The Treasurer shall send, or cause to be given, to the 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. The Treasurer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Foundation with such depositories as the Board may designate; (ii) disburse the Foundation's funds upon a check or draft of the Foundation signed pursuant to the order of the Board; (iii) render to the President and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Foundation; and (iv) have such other powers and perform such other duties as the President, Board or these Bylaws may require. The Treasurer may also be designated by the alternate title "Chief Financial Officer" if the Foundation does not obtain the services of an individual to serve as its chief financial officer.

6.2 Election; Removal; and Term of Office.

6.2.1 Election. The officers of the Foundation shall be elected by the Board at its Annual Meeting.

6.2.2 Term of Office. Each officer shall hold office for one (1) year at the pleasure of the Board and until his or her successor shall be selected and qualified to serve.

6.2.3 Removal. Any officer may be removed from office at any time by the Board, with or without cause or prior notice.

6.2.4 Resignation. Any officer may resign at any time upon written notice to the Board, and such resignation is effective upon receipt of the written notice by the Board unless the notice prescribes a later effective date or unless the notice prescribes a condition to the effectiveness of the resignation.

6.2.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled for the unexpired term at any meeting of the Board.

ARTICLE VII INDEMNIFICATION

7.1 Indemnification. The Foundation shall indemnify a Director, officer, or employee under the provisions of section 5238 of the CCC, or pursuant to any contract entered into with any employee who is not an officer or Director.

7.2 Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Foundation as authorized in section 5238 of the CCC prior to the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the Director, officer or employee to repay such amount unless it shall be determined ultimately that the Director, officer or employee is entitled to be indemnified.

7.3 Insurance. The Foundation shall purchase and maintain insurance on behalf of any Director, officer or employee of the Foundation against any liability asserted against or incurred by the Director, officer or employee in such capacity or arising out of the Director's, officer's or employee's status as such, whether or not the Foundation would have the power to indemnify the Director, officer or employee against such liability under the provisions of section 5238 of the CCC.

ARTICLE VIII AMENDMENTS

8.1 Amendment of Articles. The amendment or restatement of the Articles of Incorporation of the Foundation is provided for by California state law and requires the approval of a majority of the Directors of the Foundation at a meeting duly called for that purpose and shall also require the written approval of the CSD Board. Such amendment or restatement of the Articles of Incorporation shall not be effective until the filing of a certificate of amendment with the Secretary of State.

8.2 Amendment of Bylaws. These Bylaws may be amended or repealed, or new bylaws may be adopted, only by approval of two-thirds (2/3) of the Directors and shall also require the written approval of the CSD Board. Any conflict between these Bylaws and the Articles of Incorporation shall be resolved in favor of the Articles of Incorporation.

ARTICLE IX
RECORDS

9.1 Minute Book. The Foundation shall keep or cause to be kept a minute book which shall contain:

(a) The record of all meetings of the Board including date, place, those attending and the proceedings thereof, a copy of the notice of the meeting and when and how given, written waivers of notice of meeting, written consents to holding meeting, written approvals of minutes of meeting, and unanimous written consents to action of the Board without a meeting, and similarly as to meetings of committees of the Board established pursuant to these Bylaws.

(b) A copy of the Articles of Incorporation, and all amendments thereof, and a copy of all certificates filed with the Secretary of State; and

(c) A copy of these Bylaws, and all amendments hereof, duly certified by the Secretary.

9.2 Financial Statements; Annual Report.

9.2.1 Financial Statements. Financial statements shall be prepared as soon as reasonably practicable after the close of the fiscal year, but not later than the fifteenth (15th) day of the fourth (4th) month after the close of said fiscal year. The financial statements shall contain in appropriate detail the following: (i) a balance sheet for the Foundation as of the end of the fiscal year; (ii) an income statement for the same period; and (iii) a statement of cashflows for that same period.

9.2.2 Annual Report to Directors. An annual report, including the financial statements prescribed by Section 9.2.1 of these Bylaws, shall be furnished annually to all Directors within 120 days after the end of the Foundation's fiscal year and shall include any information required by Section 9.3 of these Bylaws. The financial statements included with the annual report shall be accompanied by a report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Foundation that such statements were prepared without audit from the books and records of the Foundation. If the Board approves, the Foundation may send the report and any accompanying material sent pursuant to this Section 9.3 by electronic transmission.

9.2.3 Exception. Notwithstanding Sections 9.2.1 and 9.2.2, the requirement of a financial statement and an annual report shall not apply if the Foundation receives less than \$10,000 in gross revenues or receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors who request it in writing.

9.3 Report of Transactions and Indemnifications. As part of the annual report to all Directors required by Section 9.2.2 of these Bylaws, or a separate document if no annual report is issued, the Foundation shall annually prepare and mail, deliver or send by electronic transmission to all Directors a statement of any transaction between the Foundation and one of its officers or Directors or of any indemnification paid to any officer or Director. The statement