

**BYLAWS OF THE
COSTA MESA SENIOR
CORPORATION
A CALIFORNIA NONPROFIT
CORPORATION**

Adopted 10/19/99

TABLE OF CONTENTS

ARTICLE I – Name, Organization and Purpose, Principal Office, Seal page 4
 Section 1. Name of Corporation
 Section 2. Organization, Purpose and Use of Funds
 Section 3. Principal Office
 Section 4. Seal

ARTICLE II - Mission Statement page 5

ARTICLE III - Members page 5

ARTICLE IV - Directors page 5
 Section 1. Board Size
 Section 2. Appointment
 Section 3. Terms of Office
 Section 4. Resignation
 Section 5. Termination of Director
 Section 6. Compensation

ARTICLE V – Officers page 7
 Section 1. Number and Qualifications
 Section 2. Election of Officers
 Section 3. Vacancies
 Section 4. Removal
 Section 5. President
 Section 6. Vice President
 Section 7. Secretary
 Section 8. Treasurer
 Section 9. Executive Director

ARTICLE VI – Powers of the Board page 9
 Section 1. Authority
 Section 2. Executive Director

ARTICLE VII – Meetings page 11
 Section 1. Regular Meetings
 Section 2. Special Meetings
 Section 3. Committee Meetings
 Section 4. Quorum
 Section 5. Place of Meetings
 Section 6. Minutes

ARTICLE VIII – Voting page 12
 Section 1. Voting By Proxy
 Section 2. Voting Rights
 Section 3. Voting Conflict of Interest

ARTICLE IX – Committees of the Board page 13
 Section 1. Committee Structure
 Section 2. Appointment of Committees
 Section 3. Composition of the Executive Committee
 Section 4. Purpose and Powers of the Committees

| | |
|--|---------|
| ARTICLE X – Indemnification and Insurance | page 16 |
| Section 1. Good Faith Duty and Extent of Liability | |
| Section 2. Right of Indemnity | |
| Section 3. Approval of Indemnity | |
| Section 4. Advancement of Expenses | |
| Section 5. Insurance | |
| ARTICLE XI – Fiscal Year | page 18 |
| ARTICLE XII – Political Activities | page 18 |
| ARTICLE XIII – Bylaws | page 20 |
| Section 1. Power of Directors to Amend Bylaws | |
| Section 2. Conditions for Changing Bylaws | |
| ARTICLE XIV – Miscellaneous | page 19 |
| Section 1. Books and Records | |
| Section 2. Deposits | |
| Section 3. Gifts | |
| Section 4. Conflict of Interest | |
| ARTICLE XV – Certification | page 20 |

ARTICLE I

NAME, ORGANIZATION AND PURPOSE, PRINCIPAL OFFICE, SEAL

Section 1. Name of Corporation

The name of this corporation is the Costa Mesa Senior Corporation (hereinafter referred to as "Corporation").

Section 2. Organization, Purpose and Use of Funds

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 Law of the State of California for public and charitable purposes consisting of designing and operating a public senior citizen, multipurpose center located in Costa Mesa to meet the cultural, recreational, educational and social needs of the city's senior citizens. This Corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the United States Internal Revenue Code, or the corresponding provision of any future United States Internal Revenue law. Notwithstanding any other provision of these articles, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this Corporation, and the Corporation 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 United States Internal Revenue Code or the corresponding provision of any future United States Internal Revenue law, or (b) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the United States Internal Revenue Code or the corresponding provision of any future United States Internal Revenue law.

Section 3. Principal Office

The principal office of the Corporation shall be in the City of Costa Mesa, County of Orange, State of California, at a place selected by the Directors.

Section 4. Seal

The corporate seal shall be in the City name and shall have the date of incorporation inscribed thereon. The Secretary of the Corporation shall have custody of the seal and affix it to all corporate documents. Failure to affix the seal shall not affect the validity of any instrument.

ARTICLE II

MISSION STATEMENT

The mission of the Corporation is to maximize the quality of life among the older adult population of Costa Mesa and the surrounding communities through the provision of programs that will:

1. Promote dignity and self-esteem;
2. Foster independence and self-determination;
3. Facilitate social interaction and involvement in community life; and
4. Dispel stereotypical and negative myths about aging.

ARTICLE III

MEMBERS

This Corporation shall have no members.

ARTICLE IV

DIRECTORS

Section 1. Board Size

The Corporation shall be governed by a Board of Directors (the "Board") composed of not more than seventeen (17) or less than thirteen (13) members.

Section 2. Appointment

The original Directors will be appointed by the Costa Mesa City Council after receiving recommendations from its Senior Citizens Committee. Thereafter, the Board at its annual meeting in November will elect all of the Directors necessary to fill vacancies left by Directors whose terms have expired. Two (2) Directors shall be designated by the Costa Mesa City Council and may be Council members. At all times two (2) of the seventeen (17) Directors will have been designated by the City Council, including the designation of replacement Directors whenever a vacancy arises by resignation, removal or death of a Council designated Director. A vacancy of any one of the other Directors shall be filled by the Board at any special meeting called for that purpose.

Section 3. Terms of Office

The term of office for Directors shall be three (3) years, except for the two (2) City Council appointees, who serve at the pleasure of the Council. There shall be three (3) groups of Directors consisting of five (5) nominees, elected in different years, in rotation. Nomination of each group (to be called a class) shall occur in ¹May, election shall occur in June and service shall begin in July of the new fiscal year. The term of a Director who was elected to fill a vacancy shall end when the term being filled ends. A Director may request election to an additional three-year term after the first three-year term is served. The maximum term, therefore, is six (6) years.

¹ Section 3 – Terms of Office revised February 19, 2002

Section 4. Resignation

Any Director may resign at any time by giving written notice to the President of the Board. A resignation is effective upon receipt, unless the notice specifies a later time. Except on notice to the Attorney General of California, no Director may resign if the Corporation would be left without a duly appointed Director or Directors in charge of its affairs.

Section 5. Termination of Directors

The Board, by affirmative vote of the majority of all of the Directors of the Board, may suspend or expel a Director for cause after an appropriate hearing. Any Director with three (3) unexcused absences per calendar year from a regularly scheduled Board Meeting shall be removed as a Director. The Secretary shall mail a written notice to each Director who has missed three (3) regular meetings during a calendar year. The Secretary shall mail written notice of termination of membership to the Director.

Section 6. Compensation

The Directors shall serve without compensation except that they shall be allowed their paid and actual and necessary expenses incurred in attending the meetings of the Board or doing the business of the Corporation.

ARTICLE V

OFFICERS

Section 1. Number and Qualifications

The Officers of the Corporation shall be the President, Vice President, Secretary and Treasurer and shall be members of the Board.

Section 2. Election of Officers

At the annual meeting in June², the Board shall elect from their number by a majority vote a President, Vice President, Secretary and Treasurer. The term of office is one (1) year. A Director can serve up to three (3) years in the same office if they are nominated and elected.

Section 3. Vacancies

In the event of the President's death, removal or resignation, the Vice President shall automatically become the President. Any other vacancy shall be filled by a majority vote of the remaining Board within forty-five (45) days of the vacancy arising.

Section 4. Removal

Each Officer may be removed with or without cause by a majority vote of the Board.

Section 5. President

The President shall be the Chief Executive Officer of the Corporation, subject to the control of the Board or these Bylaws. The President shall preside at all meetings of the Board. The President may sign and execute, in the name of the Corporation, any instruments duly authorized by the Board and generally shall perform all duties incident to the office of President, provided that the Board may assign some of such duties to the Executive Director.

Section 6. Vice President

At the request of the President, or in the case of the President's unavailability, the Vice President shall perform all the duties of the President and when so acting the Vice President shall have the power of the President and be subject to the restrictions of the President. In addition, the Vice President shall perform all duties assigned by the President or the Board in furtherance of the Corporation.

² Section 2 -- Election of Officers revised on February 19, 2002

Section 7. Secretary

The Secretary shall keep the minutes of Board meetings in one or more books provided for that purpose and see that all notices are duly given.

Section 8. Treasurer

The Treasurer is the Chair of the Finance Committee and oversees the financial status of the Corporation. The Treasurer shall be a signatory on corporate accounts.

If required by the Board, the Treasurer shall give a bond for the faithful discharge of duties in such sum and with such sureties as the Board shall determine. The Treasurer shall have charge, custody and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories selected by the Board; and, in general, perform all of the duties incidental to the office of Treasurer and such other duties as may be assigned by the President or the Board.

Section 9. Executive Director

The Executive Director shall be responsible for such day-to-day operations of the Corporation as assigned by the Board. The Executive Director shall account for the receipt and disbursements of all funds by making periodic written reports to the Board as directed by it. All disbursements shall be by check, drawn on an account in the Corporation's name and signed by the Executive Director and one (1) Officer, or by two (2) Officers one of whom is the Treasurer, provided however, that the Executive Director is authorized to sign checks for expenditures of two hundred fifty dollars (\$250.00) or less for miscellaneous minor expenses without any counter signature, so long as the total of such expenditures does not exceed one thousand dollars (\$1000.00) in any one (1) month.

ARTICLE VI

POWERS OF THE BOARD

Section 1. Authority

The Board shall have the following powers:

- a. Authorize, on behalf of the Corporation, the President, Vice President and the Executive Director execution of all plans, grants, contracts, agreements, applications, certifications and similar documents approved by the Board;
- b. Responsibility for the business of the Corporation and all of the activities which the Corporation is empowered to perform by its objectives and purpose, whether expressed or not;
- c. Employ an Executive Director as provided for in the Personnel Policies and Procedures and professional and technical assistance as shall, from time to time, appear necessary and advisable;
- d. Determine in accordance with State and grantor regulations major personnel, fiscal and program policies;
- e. Determine overall programs, plans and priorities;
- f. Approve program proposals and budgets;
- g. Ensure compliance with all conditions of grants and contracts;
- h. Determine rules of procedure for the Board and enforce such rules;
- i. Select officers of the Board; and
- j. Such other powers as set forth in these Bylaws.

Section 2. Executive Director

The Board shall appoint an Executive Director who shall perform such day-to-day management functions as designated by the Board. The Executive Director shall be an ex officio member of the Board. The Executive Director shall be the executive agent of the Board and be an advisory member of the Executive Committee. The Executive Director shall seek the assistance and advice of the Executive Committee in the performance of their duties. The Executive Director, or designated representative, shall attend all

meetings of appropriate committees on request. The Executive Director shall be responsible to the Board and shall report to them at regular intervals. Such reports shall include all communications received from any grantors concerning policy changes which would affect the actions to be taken by the Board or its committees and any communications indicating that the Board or its employees may not be complying with the requirements of law or regulations or the submission of required reports. The Executive Director will represent the Corporation in community meetings and act on behalf of the Board.

ARTICLE VII

MEETINGS

Section 1. Regular Meetings

The Board shall schedule regular meetings to be held at least once a month. By a majority vote of the Board, the right to change or cancel a monthly Board meeting is hereby reserved. A makeup meeting is not required. The Secretary shall give each Director notice of all meetings. Regular meetings of the Board shall be held upon seven (7) days notice by first class mail, postage pre-paid, or seventy-two (72) hours notice delivered personally. The Secretary shall also maintain a book of minutes of all meetings of Directors.

Section 2. Special Meetings

A special meeting may be called at the request of the President, Executive Director or any three (3) Directors with seventy-two (72) hours notice. A quorum of the Board must be present to conduct the business at hand.

Section 3. Committee Meetings

Committee meetings shall be held at least quarterly to discuss business as referred by the Board or as scheduled by committee members. A committee report shall be presented at the next Board meeting.

Section 4. Quorum

A quorum of the Board or committee is required to conduct business. Fifty percent (50%) plus one (1) of the Board or committee membership shall constitute a quorum. Membership shall not include vacant seats.

Section 5. Place of Meetings

All meetings shall be held at convenient times and places to be established by the Board. All meetings are open to the public, except portions dealing with confidential matters in compliance with the Ralph M. Brown Act. Robert's Rules of Order shall be used as a guide for meetings.

Section 6. Minutes

Minutes shall be kept for all Board meetings, which reflect the actions taken by the Board. The minutes of the previous meeting shall be distributed to the Board prior to the next meeting. The minutes shall be made available to the public upon request excluding portions of the meeting held in closed session.

ARTICLE VIII

VOTING

Section 1. Voting By Proxy

Proxy voting is prohibited.

Section 2. Voting Rights

Each Director shall be entitled to one (1) vote on each matter submitted to a vote of the members present at the meeting. Neither non-Directors nor ex-officio members shall be entitled to vote. The President shall be entitled to vote in order to break a tie vote.

Section 3. Voting Conflict of Interest

Should any Director feel that their personal involvement with a given agenda item makes it impossible to objectively represent their organization, the Director shall declare a conflict of interest and shall not be eligible to vote on any motion which might be made on that agenda item.

ARTICLE IX

COMMITTEES OF THE BOARD

Section 1. Committee Structure

The Board shall have the following standing committees: Executive Committee; Personnel Committee; Finance Committee; Board Development Committee; and Fund Development Committee. The Board shall have the authority to establish any other committees as deemed necessary by the Board or as mandated by contracts.

Section 2. Appointment of Committees

Except for the Executive Committee, the President shall recommend all committee membership for Board approval.

Section 3. Composition of the Executive Committee

The Executive Committee shall include the four (4) officers of the Board and the immediate Past President.

Section 4. Purpose and Power of the Committees

- a. Executive Committee

Purpose:

- 1) To act on matters requiring full Board attention at times other than scheduled Board meetings and to report all actions taken to the full Board;
- 2) To maintain the organizational structure of the Board and ensure the development of necessary operating procedures; and
- 3) To represent the Board before governmental bodies and agency funding sources as directed by the full Board.

Powers:

- 1) To act on urgent matters requiring action of the full Board at times between scheduled Board meetings (All such actions shall be final unless the action is specifically subject to retroactive Board approval by the express terms of the action.); and
- 2) To recommend actions to the full Board consistent with its powers.

b. Personnel Committee

Purpose:

- 1) To review all matters relating to the Personnel Policies and Procedures of the Corporation and to present their findings and recommendations to the Board.

Powers:

- 1) To develop and review Personnel Policies and recommend changes to the Board;
- 2) To review and recommend to the Board changes in job descriptions, job qualifications, salary ranges and fringe benefits; and
- 3) To serve as the review and selection committee and to recommend hiring to the Board when employing the Executive Director.

c. Finance Committee

Purpose:

- 1) To review the budgeting process and monthly results of the operation of the Corporation as expressed in financial terms in reports prepared under the Executive Director's direction; and

- 2) To make recommendations to the Executive Director and the Board with respect to accounting and financial matters.

Powers:

- 1) To review budget proposals and grant amendments of substance prepared by the staff and make recommendations to the Board regarding these;
- 2) To review monthly budget status and financial reports prepared under the direction of the Executive Director;
- 3) To report to the Board the financial status of the Corporation;
- 4) To consult the Executive Director regarding the design, operation and control of appropriate accounting and reporting systems;
- 5) To assist in selecting alternate funding resources; and
- 6) To recommend the selection of auditors to the Board and review the Corporation's annual audit and audit responses.

d. Board Development Committee

Purpose:

- 1) With the Executive Director, to oversee the analysis of membership trends and the development of plans to recruit new Directors.

Powers:

- 1) To advertise and solicit candidates for prospective Board membership as needed;
- 2) To identify, contact and invite prospective Directors to Board meetings;
- 3) To interview and answer questions of Director applicants;
- 4) To send prospective Directors applicant packets;
- 5) To circulate the prospective Director's application and/or resume among active Directors;
- 6) To maintain updated lists of all Directors;
- 7) To identify inactive Directors and make recommendations to the full Board for termination; and
- 8) To nominate a slate of officers for election at the annual November meeting.

e. Fund Development Committee

Purpose:

- 1) To design a fund raising plan for the Corporation that will secure an increasing proportion of its income through its own efforts.

Powers:

- 1) To assess the need and focus for fund raising efforts for the Corporation, prepare a long range plan with programs to implement the plan and act in an advisory role for any capital campaign projects;
- 2) To review projections with the Executive Director and Finance Committee and to reach agreement regarding what portion of the anticipated budget will be obtained through fund raising;
- 3) To set fund raising objectives and design a plan that takes into account conditions and any applicable constraints (Cost effectiveness and costs of fund raising efforts will be considered as well.);
- 4) To oversee the implementation of the plan, including recruitment and training of volunteers needed to implement various components of the plan; and
- 5) To monitor progress of the fund raising plan and revise the plan as needed.

f. Advisory Councils/Special Needs

The Board may feel the need for information of a special nature or from a special group of clients. The establishment of a formal process to fulfill these needs may use one or all of the following:

- (1) The establishment of an advisory council;
- (2) Public town meetings; and/or
- (3) A temporary addition to the Board during a period requiring special information or assistance.

ARTICLE X

INDEMNIFICATION AND INSURANCE

Section 1. Good Faith Duty and Extent of Liability

Each Director shall perform the duties of a Director in good faith in a manner such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. Except for improper self-dealing transactions, distributions, loans and guaranties (governed by Corporations Code Sections 5233 and 5237), no unpaid Director who performs their duties in accordance with the preceding standards shall have any liability based on any alleged failure to discharge a Director's obligations. (For reference, see Corporations Code Sections 5231 and 5231.5)

Section 2. Right of Indemnity

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, 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 any 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 Bylaw, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 3: Approval of Indemnity

On written request to the Board by any person seeking indemnification under Section 5238(a) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If a 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 remaining member or members of the Board shall promptly call a meeting, and determine under Section 5238(e) of the California Corporations Code whether the applicable standard of

conduct set forth in Section 5238(c) or Section 5238(c) has been met and, if so, the Director or Directors present at the meeting in person.

Section 4: Advancement of Expenses

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 6.01 and 6.02 of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of any undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 5: Insurance

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

ARTICLE XI

FISCAL YEAR

The fiscal year for accounting purposes shall be established by the Board. At the close of the fiscal year an independent audit of all appropriate financial documents shall occur.

ARTICLE XII

POLITICAL ACTIVITIES

The Board shall be aware of all current Federal laws and applicable regulations regarding the restrictions of political activities of employees.

ARTICLE XIII

BYLAWS

Section 1. Power of Directors to Amend Bylaws

Subject to any limitation of the Articles of Incorporation, these Bylaws and the General Nonprofit Corporation Law of California concerning corporate action that must be authorized or approved by the Directors of the Corporation, the Bylaws of this Corporation may be amended, repealed, added to or new Bylaws may be adopted, by a favorable two-thirds (2/3) vote of a quorum of the Board following a thirty (30) day notice of intent to change. Any changes, when passed, shall take effect immediately unless otherwise stated.

Section 2. Conditions for Changing Bylaws

When any law or a regulation or conditions received from a higher authority conflicts with or points to needed change in the Bylaws, it shall be brought to the immediate attention of either the Executive Committee or the Board as a whole, as deemed appropriate by the Executive Director. The chosen committee shall take prompt, appropriate action.

ARTICLE XIV

MISCELLANEOUS

Section 1. Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Directors, Board and committees having any of the authority of the Board. The Corporation shall keep at the registered or principal office a record giving names and addresses of Directors entitled to vote. Any Director, or his agent or attorney may inspect all books and records of the Corporation for any proper purpose at any reasonable time.

Section 2. Deposits

All funds of the Corporation shall be deposited in a timely manner to the credit of the Corporation in such banks, trust companies or other depositories, as the Board shall select.

Section 3. Gifts

The Executive Director has the discretion to accept on behalf of the Corporation gift bequests or devise for the general purpose or for any special purposes of the Corporation.

Section 4. Conflict of Interest

No person may serve on the Board who is an officer or employee of an organization contracting to perform any component of the Corporation's programs and services. No employee of the Corporation may serve on the Board. Violation of any provision of this section shall cause the removal from the Board of the person found in violation. Any component of the Corporation's programs and services involved in such conflict shall be declared void.

One (1) year must expire before a former Director may apply for employment with the Corporation.

ARTICLE XV

CERTIFICATION

This set of Bylaws presented to this meeting being suitable for the purpose and their adoption being in the best interests of the Corporation;

IT IS THEREFORE RESOLVED that on October 19, 1999 the Bylaws presented to this meeting becomes the Bylaws of this Corporation effective forthwith.

IT IS THEREFORE RESOLVED that the Bylaws be authenticated as such by the certificate of the Secretary of this Corporation and placed in its minute book, and that a full and true copy thereof, certified by the Secretary, be kept at the principal office of the Corporation for inspection by Directors at all reasonable times during business hours.

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of the Costa Mesa Senior Corporation, a nonprofit Corporation.
2. The foregoing Bylaws, comprising 22 pages, constitute the amended Bylaws of said Corporation as duly adopted at the meeting of the Board, duly held on October 19, 1999.

IN WITNESS THEREOF, I have hereto subscribed my name and affixed the seal of said corporation on October ____, 1999.

Signature of Board Secretary

Print Name

Witness