

BYLAWS of the
SHASTA COUNTY PRIVATE INDUSTRY COUNCIL
a California Nonprofit Public Benefit Corporation
as Restated January 10, 2007

ARTICLE I: GENERAL

- 1.01 Name. The name of the Corporation is the SHASTA COUNTY PRIVATE INDUSTRY COUNCIL, herein referred to as the Corporation.
- 1.02 Offices of the Corporation.
- (a) Principal Office. The principal office for the transaction of the activities, affairs and business of the Corporation (“principal office” herein) is located at 1201 Placer Street, Redding, Shasta County, California 96001. The Board of Directors (“Board”) may change the principal office from one location to another. Any change in the location of the principal office shall be noted by the secretary on these Bylaws opposite this Section, on a sheet attached to these Bylaws, or this Section may be amended to state the new location.
 - (b) Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.
 - (c) Status of Corporation. The Corporation is a nonprofit public benefit corporation organized under Title I, Division 2 (Section 5000-6910) of the California Corporations Code. The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.
- 1.03 Purposes and Principles.
- (a) General Purposes. The Corporation is organized primarily and exclusively for public benefit and charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States internal revenue law).
 - (b) Primary Purposes. The purpose of the Corporation is to promote and foster employment opportunities for the unemployed, underemployed and other interested members of the Shasta County community.
 - (c) Specific Purposes. In fulfilling that primary purpose, the Corporation will utilize both public and private funds to: set up training and job placement programs; involve and assist employers in the planning and implementation of training programs; work with local school systems to improve the employability of their students and graduates; and maintain and develop a partnership between business and government which will address the labor needs of the business community and contribute to the well-being of the community.
 - (d) Cooperative Purposes. In accomplishing those specific purposes, the Corporation shall offer itself as a contact point for the community’s business, education, labor, and community organizations and for the economic development, rehabilitation and State Employment Development Department agencies for developing and implementing responsive training and job placement programs.
- 1.04 Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Corporations Code shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular, and the term “person” includes both a legal entity and a natural person.
- 1.05 Dedication of Assets. The Corporation's properties and assets are irrevocably dedicated to public benefit and charitable purposes. No part of the net earnings, properties or other assets of the Corporation shall inure to the benefit of any private person or individual, or to any member, director or officer of the Corporation. In the event of dissolution, all properties, assets and obligations of the Corporation shall be distributed and paid over to an organization dedicated to public benefit and charitable purposes as described in Internal Revenue Code, Section 501(c)(3).

ARTICLE II: MEMBERS

- 2.01 Members Prohibited. The Corporation will not have any members.

- 2.02 Effect of Prohibition. Any action, that would otherwise require approval by a majority of all members, or approval by members, requires only approval of the Board of Directors. All rights that would otherwise vest, under the Nonprofit Public Benefit Corporation law, in the members will vest in the Directors.

ARTICLE III: DIRECTORS

- 3.01 Powers. Subject to the provisions and limitations of any applicable law, and subject to any limitations of the Articles of Incorporation and these Bylaws, the Corporation's activities and affairs shall be managed, and all powers shall be exercised, by or under the direction of the Board.

- 3.02 Specific Powers. Without prejudice to the general powers set forth in Section 3.01 of these Bylaws, but subject to the same limitations, the Board shall have the power to:

- (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, dependence, or country; conduct its activities in or outside California; and designate a place in or outside California for holding any meeting of the Board.
- (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.

- 3.03 Number, Qualifications and Terms of Directors.

- (a) Number. The authorized number of Directors shall be seven (7).
- (b) Categories of Directors. The Board of Directors shall be composed of the following member categories:
 - (1) Private Sector Members: Private sector members shall constitute a majority of the membership of the Board and shall be persons who currently hold or have retired from a position with substantial management or policy responsibility.
 - (2) Public Sector Members: Public sector members shall constitute a minority of Board membership consisting of at least one member, and shall be persons who currently hold substantial management or policy responsibility.
- (c) Nomination. Candidates for Board members shall be solicited from organizations within Shasta County recommended by the existing Board Members and nominated to serve.
- (d) Election of Board Members. The Board of Directors shall review all nominations and vote on the nominees. A nominee shall be elected upon majority vote of those present.
- (e) Term. Each Director's terms shall be for three (3) years, ending on June 30 of each succeeding three (3) year term of service. Terms shall be staggered such that no more than three (3) directors will come to the end of their terms on concurrent June 30 term ending dates. There shall be no limit on the number of terms a Director serves.

- 3.04 Restriction on Interested Persons as Directors. No more than twenty-five percent (25%) of the persons serving on the Board may be "interested persons." An interested person is: (a) any person compensated by the Corporation 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 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. However, any violations of this paragraph shall not affect the validity or enforceability of transactions entered into by the Corporation.

- 3.05 Removal. Any individual Director may be removed from office at any time by the vote of two-thirds (2/3) of the seated Board. If any Director is so removed, the Board shall endeavor to elect a new Director(s) at the same meeting or at the

following regular meeting and the new Director(s) shall hold office for the remainder of the term(s) of the removed Director(s).

Although no cause is required for removal, the Board shall consider removal upon occurrence of any of the following events:

- (a) A director is unable to represent the categorical seat to which he or she has been elected;
- (b) A director is absent from more than three (3) consecutive regular meetings of the Board during any fiscal year (July 1 through June 30); or
- (c) A director is absent from more than twenty-five percent (25%) of the regular meetings of the Board during any such fiscal year.

3.06 Vacancies on Board.

- (a) Events Causing Vacancy. A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (1) the death or resignation of any Director; (2) 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 court or convicted of a felony; (3) the increase of the authorized number of Directors; or (4) the removal of a Director as described in Section 3.05.
- (b) Resignations. Except as provided below, any Director may resign by giving written notice to the President or the Secretary. The resignation shall be effective upon acceptance by the Board.
- (c) Filling Vacancies. Except for a vacancy created by the removal of a Director by the Board, vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than (5), 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 by waivers of notice complying with corporations Code section 5211, or (3) a sole remaining Director.
- (d) No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

3.07 Director's Meetings.

- (a) Place of Meetings. Meetings of the Board shall be held in any place within or outside California that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.
- (b) Meetings by Telephone. Any meeting may be held by conference telephone or similar communication equipment, as long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present in person at such a meeting.
- (c) Quarterly Meetings. The Board shall meet not less than four (4) times annually. The quarterly meetings of the Board shall be held in accordance with a schedule of meetings adopted by the Board and transmitted to each Director and other interested groups.
- (d) Notice. No notice of a regular meeting shall be required other than the schedule referred to above in Subsection 3.07 (c).
- (e) Special Meetings.
 - (1) Authority to Call. Special meeting of the Board for any purpose may be called at any time by the President, the Secretary or any two (2) Directors.
 - (2) Notice.
 - (A) Manner of Giving Notice. Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (a) by personal delivery of written notice; (b) by first class mail, postage prepaid; (c) by telephone, either directly to the Director or to a person at the Director's home or office who would reasonably be expected to communicate

that notice promptly to the Director; (d) by fax; or (e) by e-mail. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation.

(B) Time Requirements. Notices sent by first-class mail shall be deposited in the United States mail at least five (5) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

(C) Notice Contents. The notice shall state the time of the meeting, the place if the place is other than the principal office of the Corporation and the purpose of the meeting.

(f) Quorum. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business, except to adjourn. Notwithstanding the above, to constitute a quorum, that number of Directors may not be less than a majority of those in office. 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 the act of the Board. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of the Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

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

(h) Presiding Officer. The President shall be the chairperson of all meetings of the Board. In absence of the President, the Vice President shall serve as the presiding officer. In the absence of both the President and Vice President, the Secretary will serve as presiding officer. In the absence of the President, Vice President and Secretary, the Board shall, at the beginning of its meeting, designate by majority vote a Chairperson Pro-Tem to serve as presiding officer of the meeting.

(i) Conduct of Meetings. All meetings of the Board shall be conducted under the rules contained in Roberts' Rules of Order, as revised except to the extent they are inconsistent with these Bylaws.

(j) No Delegation. Board Members may neither delegate nor proxy their respective responsibilities and rights as Board Members.

(k) Records. An official membership list, attendance materials, a record of the actions of the Board, and a detailed statement on the composition, structure, membership, and nomination process shall be maintained by the Executive Director.

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

3.09 Committees.

(a) Special Committees of the Board. The Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one or more committees, each consisting of one (1) or more Directors and no persons who are not Directors, to serve at the pleasure of the Board. Appointments to committees of the Board and the appointment of the chair of each committee shall be by the President. The President may also appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. The President shall be an ex-officio member of all special committees.

(b) Meetings and Actions of Committees. Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provision of these Bylaws concerning meetings and other board actions except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board resolution, or if there is none, by resolution of the committee. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the Corporation's records. The Board may adopt rules for the government of any committee that are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

- (c) Actions by Committees. All recommendations for action by Committees are advisory unless specific authority to act has been given to a committee. However, no such committee may:
 - (1) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of a majority of all Board Members;
 - (2) Fill vacancies on the Board or any committee of the Board;
 - (3) Amend or repeal bylaws or adopt new bylaws;
 - (4) Amend or repeal any resolution of the Board that by its express terms is not so amenable;
 - (5) Create any other committees of the Board or appoint the members of committees of the Board;
 - (6) Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or
 - (7) Approve any contract or transaction to which the Corporation is a party and in which one or more of its directors have a material financial interest, except as special approval is provided for in Corporations Code section 5233(d)(3).
- (d) Quorum and Actions. A quorum to conduct committee business will be a simple majority of the members thereof. Recommendations for action may be taken by a simple majority of those present and voting provided that a quorum is present.

ARTICLE IV: OFFICERS

- 4.01 Officers of the Corporation. The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer, who are also Directors of the Corporation as described above and the Executive Director appointed by the Board, as well as such other officers that the Corporation may require. The same person may hold the offices of Secretary and Treasurer concurrently.
- 4.02 Election of Officers. The officers of the Corporation shall be elected annually by the Board as described above. Each shall serve for one year beginning each July 1. The President and Vice President shall be from the Private Sector Member category. Officers may serve successive terms, and shall serve until succeeded. Election shall be conducted at the last regular meeting of the Board in each fiscal year.
- 4.03 Responsibilities of Officers.
 - (a) Executive Director. Subject to the control of the Board, the Executive Director shall be the general manager of the Corporation and shall supervise, direct and control the Corporation's activities, affairs, and officers. The Executive Director shall also keep a full and complete record of the proceedings of the Board, shall keep the seal of the Corporation and affix it to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of the Corporation, and shall discharge such other duties of the office as prescribed by the Board. The Executive Director shall also have such other powers and duties as the Board or the Bylaws may prescribe.
 - (b) President. The President shall preside at all meetings of the Board, serve as Ex-Officio member of all committees, and have other powers and duties as may be prescribed by the Board.
 - (c) Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President and in so acting shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.
 - (d) Secretary.
 - (1) Book of Minutes. The Secretary shall keep, or cause to be kept, at the Corporation'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 committees of the Board. The minutes of meetings shall include the time and place of holding, whether the meeting was annual, regular, or special, and if special how authorized, the notice given, and the names of

those present at Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

- (2) Notices and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of members, of the Board and of committees of the board required by these Bylaws to be given. The Secretary shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(e) Treasurer.

- (1) Books of Account. 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 shall send or cause to be given to the Directors such financial statements and reports as are required by law, by these Bylaws, or by the Board to be given. The books of account shall be open to inspection by any Director at all reasonable times.
- (2) Deposit and Disbursement of Money and Valuables. The Treasurer shall 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 may designate, shall disburse the Corporation's funds as the Board may order, shall render to the President and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the board or the Bylaws may prescribe.
- (3) Annual Audit. The treasurer shall cause to be prepared an annual audit of the affairs of the Corporation by certified public accountant(s) approved by the Board and a report thereof submitted to the Board.
- (4) Bond. If required by the Board, the Treasurer 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 on his or her death, resignation, retirement, or removal from office.

4.04 Removal of Officers. Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause. An officer who was not chosen by the Board may be removed by any other officer on whom the Board confers the power of removal.

4.05 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. 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 shall be without prejudice to any rights of the Corporation under any contract to which the officer is a party.

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

ARTICLE V: CONFLICTS OF INTEREST

5.01 Contracts with Directors and Officers.

- (a) No Director of the Corporation nor any other corporation, firm, association, or other entity in which one or more of the Corporation's Directors have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with the Corporation, unless: (1) the material facts regarding that 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 noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (2) such contact or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of the interested Directors; (3) before authorizing or approving the transaction, the board considers and in good faith decides after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (4) the Corporation for its own benefit enters into the transaction, which is fair and reasonable to the Corporation at the time the transaction is entered into.

- (b) In addition, all employees, officers, Board members and agents shall adhere to the Board's policy on Standards of Conduct.
- (c) Notwithstanding the above, Board members may vote on the Annual Budget.
- (d) Board members shall comply with the intent of the California Political Reform Act of 1979 (commencing with Section 87300 of Chapter 7, Title IX, of the California Governmental Code.)
- (f) This section does not apply to a transaction that is part of an educational or charitable program of the Corporation if it: (a) is approved or authorized by the Corporation in good faith and without unjustified favoritism; and (b) results in a benefit to one or more directors or their families because there are in the class of persons intended to be benefited by the educational or charitable program of the Corporation.

5.02 Loans to Directors and Officers. The Corporation shall not lend any money or property to or guarantee the obligation of any Director or officer without the approval of the California Attorney General; provided, however, that the Corporation may advance money to a Director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or officer would be entitled to reimbursement for such expenses by the Corporation.

ARTICLE VI: INDEMNITY AND INSURANCE

6.01 Right of Indemnity. To the fullest extent permitted by law, the Corporation shall indemnify its Directors and officers 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," and including any action by or in the right of the Corporation. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the California Corporations Code.

6.02 Approval of Indemnity. On written request to the Board by any person seeking indemnification under these Bylaws the Board shall promptly determine whether the applicable standard of conduct 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 determine whether the applicable standard of conduct set forth in these Bylaws has been met and, if so, the Board members present at the meeting in person or by proxy shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under this Section 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 found that the person is entitled to be indemnified by the Corporation for those expenses.

6.03 Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers and Directors against any liability asserted against or incurred by any officer or Director, in such capacity or arising out of the officer's or Director's status as such.

ARTICLE VII: RECORDS AND REPORTS

7.01 Maintenance of Corporation Records. The Corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its Board, and committees of the Board; and
- (c) A record of each Director's name and address.

7.02 Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at its principal office the original or a copy of the Articles of Incorporation and Bylaws, as amended to date. The Secretary shall, on the written request of any director, furnish to that Director a copy of the Articles of Incorporation and Bylaws, as amended to date.

7.03 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind and physical properties. 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 documents at that Director's expense.

7.04 Fiscal Year and Annual Report.

- (a) The fiscal year of the Corporation shall begin July 1st of each year and shall end on June 30th.
- (b) An annual report shall be prepared within one hundred and twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:
 - (1) A balance sheet as of the end of the fiscal year and an income statement for the fiscal year, accompanied by any report on them by accountants, or if there is no such report, by the certificate of an authorized officer of the Corporation that they were prepared without audit from the books and records of the Corporation, and
 - (2) A statement of the place where the names and addresses of current members are located.

ARTICLE VIII: MISCELLANEOUS

8.01 Amendment by Board. The Board may at any time adopt, amend, or repeal Bylaws by a two-thirds (2/3) majority vote of those Board Members then in office subject to the requirements in Subsection 3.07 (f).

8.02 Dissolution and Winding Up. Upon the dissolution and winding up of the Corporation, after paying or adequately providing for the debts and obligations of the organization, the remaining assets shall be distributed to such organization (or organizations) organized and operated exclusively for public benefit and charitable purposes as described in section 501(c)(3) of the Internal Revenue Code and which has established its tax-exempt status under that section (or the corresponding provision of any future United States internal revenue law).

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the SHASTA COUNTY PRIVATE INDUSTRY COUNCIL, a California Nonprofit Public Benefit Corporation, and the Bylaws, consisting of the eight (8) pages above, are the Bylaws (as restated) of the Corporation as adopted by the Board of Directors on January 10, 2007 and that they have not been amended or modified since that date.

Executed on January 10, 2007 at Redding, Shasta County, California.

Secretary