



# HEALTH CARE ADMINISTRATORS ASSOCIATION BYLAWS

Originally Adopted: August 21, 1998  
Revised: June 19, 2009

## I. NAME AND LOCATION

- A. NAME: The name of this organization is the Health Care Administrators' Association (HCAA), incorporated as a nonprofit mutual benefit corporation under the laws of the State of California.
- B. LOCATION: The principal office of HCAA shall be located in California, or in another location as designated by the Board of Directors as best serving the purposes of the organization and the needs and interests of its members.

## II. PURPOSE AND STRUCTURE

- A. PURPOSE: The purpose of HCAA is to promote the quality and cost effectiveness of the administrative process by providing a leadership forum for the exchange of ideas and information among health care administrators.
- B. ORGANIZATION OF LOCAL DIVISIONS: The Board of Directors of HCAA may establish local divisions to further the objectives of HCCA in various geographic territories as the Board of Directors so determines..
  - 1. AUTHORITY AND DUTIES OF DIVISIONS: Local divisions of the HCAA shall be administered and governed by rules and regulations as the Board may prescribe.

## III. MEMBERSHIP

- A. MEMBERSHIP IN HCAA: An individual or business entity may apply for membership in HCAA by submitting an application for membership to the Board of Directors. The Board of Directors may approve or deny such application as the Board may determine. The Board of Directors may, from time to time, establish dues, fees, and other conditions for membership. For the purposes of this Article III, the terms

“business”, “entities” and “business entities” includes any sole proprietorship, partnership, company, corporation or association.

B. MEMBERSHIP CLASSIFICATIONS. There shall be three levels of membership classified as follows:

- i. REGULAR MEMBER: Any full-time business regularly engaged in third party administration of health care insurance.
- ii. AFFILIATE MEMBER: Any other business entity engaged in providing supporting services or products to third party administrators for health care insurance.

C. VOTING MEMBERS: A Regular Member of HCAA is entitled to vote on matters brought before the membership if such Regular Member is current in all dues and fees owed HCAA and has complied with all other conditions established from time to time by the Board of Directors for Regular Members.

D. TERMINATION OF MEMBERSHIPS:

1. The membership of any member shall terminate upon the occurrence of any of the following events:
  - a. The resignation of the member.
  - b. In case of a membership issued for a period of time, when the period of time has elapsed unless the membership is renewed.
  - c. The failure of the member to pay dues or fees within the times set forth by the Board of Directors or as otherwise provided in accordance with the Bylaws.
  - d. The failure of the member to act in accordance with or to live up to the standards of the Code of Conduct of HCAA.

Termination of a membership shall not relieve the member from any obligation for charges incurred, services or benefits actually received, dues, or fees for which the member is obligated to HCAA.

Before the membership of a Regular Member is terminated in accordance with paragraphs D.1.c. and D.1.d. above, the following procedures shall be followed:

- a. A notice shall be sent by prepaid first class or registered mail to the most recent address of the Regular Member as shown on HCCA's records, setting forth the action to be taken, the reasons for the action, and the date, time and place of the hearing provided for in the following paragraph. Such notice shall be sent at least fifteen (15) days before the proposed effective date of termination.

- b. The Regular Member whose membership is being terminated shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than five (5) days before the effective date of the proposed termination. The hearing will be held by a special committee of the Board of Directors composed of no fewer than three (3) Board members appointed by the President.
  - c. Following the hearing, the special committee shall decide whether or not the membership of the Regular Member should be terminated or the Regular Member suspended or sanctioned in some other way. The decision of the committee shall be final.
- E. TRANSFER OF MEMBERSHIPS: No member may transfer its membership or any membership right. All rights of membership cease on the member's death or dissolution.

#### IV. MEMBERSHIP MEETINGS

- A. ANNUAL MEETING: An annual meeting of the members of HCAA may be held for the transaction of such business as may come before the membership. The Board of Directors shall designate the time and place of the Annual Meeting.
- B. OTHER MEETINGS: The number of regular meetings of members and the time and place for such meetings shall be determined by the Board of Directors.
- C. SPECIAL MEETINGS: Special meetings of HCAA may be called at the request of five percent (5%) or more of the Regular Members or by the President, with at least twenty (20) days notice of such special meetings to the membership.
- D. QUORUM: Attendance of twenty-five percent (25%) of the Regular Members shall constitute a quorum at a meeting of members.
- E. NOTICE: A written or printed notice, stating the place, day and hour of the meeting, and in the case of a special meeting, the purpose(s) for which the meeting is called, shall be delivered or mailed by the Secretary, or by such person(s) calling the meeting, to each Regular Member of record of HCAA, not more than one hundred twenty (120) nor less than sixty (60) calendar days prior to the date of the Annual Conference and not more than forty-five (45) nor less than fifteen (15) calendar days prior to a special meeting. Notice by mail is given when deposited in the United States mail with sufficient postage. Notice by overnight delivery service is given when deposited with the delivery service. Personal delivery of any such notice to a corporation, an association or a partnership shall be accomplished by delivery of such notice to any officer of a corporation or an association or to any member of a partnership.

Notice of any meeting may be waived by any Regular Member in writing either before or after the meeting. Attendance of a Regular Member at any meeting shall constitute a waiver of notice at such meeting.

#### F. VOTING:

1. ELIGIBILITY: Regular Members who are eligible to vote under the provisions of Article III. C. above may vote at any meeting of the membership. Each Regular Member shall have one (1) vote on matters brought or required to be brought before an annual or special meeting of the membership.
2. PROXY: Proxy voting is not permitted at any meeting of the members of HCAA.
3. MANNER OF VOTING: Voting shall be done by voice vote at all meetings of the membership, Board of Directors and committees. A ballot vote may be requested for elections or for a motion or series of motions. Motions for ballot voting shall be voted on like any other motion.
4. MAIL/FAX REFERENDUM: Action which may be taken at any regular or special meeting of members may be taken without a meeting if the written ballot of every Regular Member of record who is entitled to vote is solicited. All solicitation of written ballots must set forth in reasonable detail the action(s) to be taken, and must indicate the time the ballot must be returned to be counted. Approval by written ballot shall be valid when the number of ballots cast equals or exceeds the required quorum. The number of approvals must also equal or exceed the number of votes required to obtain approval at a meeting. Directors may also be elected by written ballot under this section and paragraph.
5. VOTE REQUIRED: When a quorum is present or represented at any meeting or for any mail/fax referendum, the vote of a majority of the Regular Members of HCAA present in person or represented by written ballot shall decide any question brought before such meeting or such mail/fax referendum, unless the question is one that by express provision of statute or of the Articles of Incorporation or of these Bylaws requires a different vote, in which case such express provision shall govern the vote required.

#### V. DUES

- A. Membership dues will be determined by a majority vote of the Board of Directors. There shall be no dues for honorary members.
- B. The Board of Directors shall adopt, enforce and maintain a delinquent dues policy.
- C. Only those members whose dues are currently paid may enjoy the privileges of membership.

D. The membership year shall begin the month dues are paid.

## VI. BOARD OF DIRECTORS

A. NUMBER: HCAA shall have nine (9) directors and four (4) officers and collectively they shall be known as the Board of Directors. No more than four of the nine directors can be affiliate members. All officers must be Regular Members. The number may be changed by amendment of these Bylaws, or by repeal of the Bylaw and adoption of a new Bylaw, as provided in these Bylaws. A person who is duly qualified and elected may serve as both a director and as an officer simultaneously. The number of representatives from a single company serving on the Board of Directors shall not exceed two (2). Under a circumstance where a current Director becomes employed by a company that already has two other representatives on the Board, one of those three representatives must submit immediate resignation from the Board.

B. POWERS: Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of HCAA, the activities and affairs of HCAA shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

C. DUTIES: It shall be the duty of the directors to:

1. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of HCAA, or by these Bylaws;
2. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of HCAA;
3. Supervise all officers, agents and employees of HCAA to assure that their duties are performed properly;
4. Meet at such times and places as required by these Bylaws;
5. Register their addresses with the Secretary of HCAA; notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

D. TERMS OF OFFICE: Each director shall hold office until the expiration of his or her term, and until his or her successor is elected and qualifies. Terms shall be defined as follows:

- i. Regular Members: Regular members serving on the Board shall serve a three-year term with a maximum limit of three consecutive terms.

- ii. Affiliate Members: Affiliate members serving on the Board shall serve a one-year term with a maximum limit of three consecutive terms.
- E. COMPENSATION: Directors shall serve without compensation. The Board of Directors, in its discretion, may establish a formal policy for volunteer expense reimbursement.
- F. RESTRICTION REGARDING INTERESTED DIRECTORS: Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board of Directors may be interested persons. For purposes of this Section, "interested persons" means either:
- 1. Any person currently being compensated by HCAA for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or
  - 2. Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or father-in-law of any such person.
- G. PLACE OF MEETINGS: Meetings shall be held at such place within or without the State of California which has been designated from time to time by resolution of the Board of Directors. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another.
- H. REGULAR MEETINGS: Regular meetings of Directors shall be held at least quarterly.
- I. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by the President, the Vice President, the Secretary, or by any two directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of HCAA.
- J. NOTICE OF MEETINGS: Regular meetings of the Board of Directors may be held without notice. Special meetings of the Board of Directors shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone email or facsimile. If sent by mail, the notice shall be deemed to be delivered on its deposit in the mails. If sent by email or facsimile, the notice shall be deemed to be delivered when sent. Such notices shall be addressed to each director at his or her address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held not more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special

meeting to directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

- K. CONTENTS OF NOTICE: Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any board meeting need not be specified in the notice.
- L. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS: The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
- M. QUORUM FOR MEETINGS: A quorum shall consist of a simple majority of the voting Board of Directors. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of HCAA, or by law, no business shall be considered by the Board of Directors at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the presiding officer shall entertain at such meeting is a motion to adjourn. However a majority of the directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section J of this Article.

The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

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

- O. **CONDUCT OF MEETINGS:** Meetings of the Board of Directors shall be presided over by the President, or, if no such person has been so designated or, in his or her absence, the Vice President, or in the absence of each of these persons, by a Chairperson chosen by a majority of the directors present at the meeting. The Secretary shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.
- P. **ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING:** Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of HCAA authorize the directors to so act, and such statement shall be prima facie evidence of such authority.
- Q. **VACANCIES:** Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director, (2) whenever the number of authorized directors is increased and (3) upon the expiration of a director's term of office. The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law. Directors may be removed without cause by a majority of the Board of Directors..

Any director may resign effective upon giving written notice to the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if HCAA would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Attorney General.

Directors shall be elected by a majority of the remaining directors present at a meeting duly held at which a quorum is present. If the number of remaining directors is less than the quorum established above, then directors shall be elected by a majority vote of the remaining directors. A person elected to fill a vacancy shall serve until the expiration of the term for that director position or until his or her earlier death, resignation or removal from office.

- R. **NON-LIABILITY OF DIRECTORS:** The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

VII. RESERVED.

VIII. OFFICERS

- A. NUMBER: The officers of HCAA must be comprised of Regular Members and shall be President, a Vice President, a Secretary, and a Chief Financial Officer who shall be designated the Treasurer. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as the President.
- B. QUALIFICATION, ELECTION, AND TERM OF OFFICE: Officers must be Regular Members of HCAA. Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first. A person who is duly qualified and elected may serve as both a director and as an officer simultaneously. Terms shall be approximately one year.
- C. SUBORDINATE OFFICERS: The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.
- D. REMOVAL AND RESIGNATION: Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer.
- E. VACANCIES: Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board of Directors may or may not be filled as the Board of Directors shall determine.
- F. DUTIES OF PRESIDENT: The President shall be the chief executive officer of HCAA and shall, subject to the control of the Board of Directors, supervise and control the affairs of HCAA and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairperson of the Board of Directors, he or she shall preside at all meetings of the Board of Directors, The President shall preside at all meetings of the members.

Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of HCAA , execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

G. DUTIES OF VICE PRESIDENT: In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

H. DUTIES OF SECRETARY: The Secretary shall:

Certify and keep at the principal office of HCAA the original, or a copy of these Bylaws as amended or otherwise altered to date.

Keep at the principal office of HCAA or at such other place as the Board of Directors may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors, and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

Be custodian of the records and of the seal of HCAA and see that the seal is affixed to all duly executed documents, the execution of which on behalf of HCAA under its seal is authorized by law or these Bylaws.

Keep at the principal office of HCAA a membership book containing the name and address of each and any members, and, in the case where membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of HCAA, or to his or her agent or attorney, on request therefore, the Bylaws, the membership book, and the minutes of proceedings of the directors of HCAA.

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of HCAA, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

I. DUTIES OF TREASURER: Subject to contrary provisions of these Bylaws, the Treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of HCAA, and deposit all such funds in the name of HCAA in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to HCAA from any source whatsoever.

Disburse, or cause to be disbursed, the funds of HCAA as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of HCAA's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursement, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any director of HCAA, or to his or her agent or attorney, on request therefore.

Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of HCAA.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statement to be included in any required reports.

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

J. COMPENSATION: Officers shall serve without compensation

## IX. COMMITTEES

### A. EXECUTIVE COMMITTEE

1. **AUTHORITY AND RESPONSIBILITY:** The Executive Committee may act in place and stead of the HCAA Board of Directors between Board meetings on all matters, except those specifically reserved to the Board by these Bylaws. The Committee shall oversee the corporate affairs of HCAA. Actions of the Executive Committee shall be reported to and ratified by the Board by mail or at the next board meeting.
2. **COMPOSITION:** The Executive Committee shall consist of the President, Vice President, Secretary, and Chief Financial Officer/Treasurer.
3. **QUORUM AND CALL OF MEETING:** A majority of the Executive Committee shall constitute a quorum at any duly called meeting of the Committee. The President shall call such meetings of the Executive Committee as the business of the HCAA

may require, or a meeting shall be called by any two members of the Executive Committee.

B. **NOMINATING COMMITTEE:** The President shall appoint with the approval of the HCAA Board, a Nominating Committee which shall consist of no less than three (3) and no more than five (5) Regular Members, one (1) of whom shall be the Immediate Past President of HCAA, but of whom not more than three (3) shall be past Presidents of HCAA. At least one (1) member of the Nominating Committee shall be reappointed to the following year's Nominating Committee to insure continuity.

1. **OFFICER NOMINATIONS:** The Nominating Committee shall nominate a candidate for each position of elected officers for the ensuing year. The Nominating Committee shall place the names of candidates for these same offices in formal nomination at the HCAA's Annual Meeting. Members may nominate candidates for any office which is to be filled at the time the presiding officer calls for nominations. If, however, no nominations are made, the Secretary shall cast a unanimous ballot for the candidates of the Nominated Committee.

C. **AUDIT COMMITTEE:** Board of Directors shall elect an Audit Committee consisting of three to five people, including the Treasurer and other board members who are not compensated for their service on the audit committee and do not have a financial interest or any other conflict of interest with any entity doing business with HCAA. No members of staff including the President shall serve on the audit committee. At least one member of the audit committee should meet the criteria of financial expert and have adequate financial experience to understand, analyze and reasonably assess the financial statements of HCAA and the competency of the auditing firm. A formal review of the books will be provided by an outside firm in conjunction with the tax return preparation annually. An audit by an outside firm should be conducted at least once every five years, though the audit committee can recommend an audit more often as deemed appropriate. The audit committee should meet with the auditor, review the audit and recommend its approval or modification to the full board. The auditing firm and or the reviewing partners must be rotated every five years. The auditing firm may not provide any non-auditing services except for tax preparation, which should be approved in advance while the firm is contracted with the organization.

D. **OTHER COMMITTEES:** HCAA shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the board. These additional committees shall act in an advisory capacity only to the board and shall be clearly titled as "advisory" committees.

Except when written policies provide otherwise, all committees and task force groups shall be appointed by the President. Committee actions and recommendations shall be subject to the approval of the Board of Directors. Committee members shall serve as spokesperson for the HCAA only when directed to do so by the Board of Directors.

E. MEETINGS AND ACTION OF COMMITTEES: Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provision of these Bylaws.

X. RESERVED.

XI. CORPORATE RECORDS, REPORTS AND SEAL

A. MAINTENANCE OF CORPORATE RECORDS: HCAA shall keep at its principal office in the State of California or at any other location designated by the Board of Directors.

1. Minutes of all meetings of directors, committees of the board and of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
2. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
3. A record of its members, if any, indicating their names and addresses and the class of membership held by each member and the termination date of any membership;
4. A copy of the HCAA's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, HCAA at all reasonable times during office hours.

B. CORPORATE SEAL: The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of HCAA. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

C. DIRECTOR'S INSPECTION RIGHTS; 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 HCAA.

- D. MEMBERS' INSPECTION RIGHTS: Each Regular Member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a Regular Member:
1. To inspect and copy the record of all members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand on HCAA, which demand shall state the purpose for which the inspection rights are requested.
  2. To obtain from the Secretary of HCAA, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.
  3. To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on HCAA by the member, for a purpose reasonably related to such person's interests as a member.
- E. RIGHT TO COPY AND MAKE EXTRACTS: Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.
- F. ANNUAL REPORT: The board shall cause an annual report to be furnished to all directors and to any Regular Member who requests it in writing.

## XII. FINANCES

- A. FISCAL PERIOD: The fiscal year of the HCAA shall be July 1 through June 30.
- B. ANNUAL FINANCIAL REPORT: Not later than seventy-five (75) days after the close of the fiscal year, HCAA shall prepare an annual financial report for the fiscal year containing (1) a balance sheet as of the end of the fiscal year, (2) an income statement, (3) a statement of changes in financial position, (4) a statement that the names and addresses of the current members of the HCAA are located at the principal office of the HCAA.
- C. BUDGET: With recommendation of the Executive Committee, the Board shall adopt an annual operating budget covering all activities of HCAA.

### XIII. BUSINESS MATTERS

#### A. MANAGEMENT AND STAFF

1. APPOINTMENT: The Board of Directors shall employ a management staff (Staff), for which the terms and conditions of employment shall be specified by the HCAA Board.
2. AUTHORITY AND RESPONSIBILITY: The Staff shall carry out the policies and orders of the Board of Directors, and have such other powers and duties as may be prescribed by the board of Directors or these Bylaws. Staff reports and is responsible to the HCAA President, who has the duty to monitor and/or supervise the implementation of the Board's directives and HCAA policy. The Staff shall be authorized from time to time, and within the budget and policies of HCAA, to employ and terminate such person(s) as the Board may deem necessary for the proper conduct of the affairs of the HCAA, and determine the compensation to be paid therefore. The Staff shall make such reports, recommendations and suggestions to the HCAA President and/or the HCAA Board.

#### B. EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

1. EXECUTION OF INSTRUMENTS: Instruments shall be handled in accordance with Board of Director approved policies as may be enacted from time to time.
2. DEPOSITS: All funds of HCAA shall be deposited from time to time to the credit of HCAA in such banks, trust companies, or other depositories as the Board of Directors may select.
3. GIFTS: The Board of Directors may accept on behalf of HCAA any contribution, gift, bequest, or devise for the charitable or public purposes of HCAA.

- #### C. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS:
- To the extent that a person who is, or was, a director, officer, employee or other agent of HCAA has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of HCAA, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by HCAA but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

- D. **INSURANCE FOR CORPORATE AGENTS:** The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of HCAA (including a director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not HCAA would have the power to indemnify the agent against such liability under the provision of Section 5238 of the California Nonprofit Public Benefit Corporation Law.
- E. **RULES OF ORDER:** The latest edition of Robert's Rules of Order shall be the authority for establishing meeting procedures of the HCAA when not in conflict with these Bylaws, the Articles of Incorporation, or California or federal laws. The HCAA President may appoint a Parliamentarian, with the concurrence of the Board of Directors.
- F. **DISSOLUTION:** HCAA does not contemplate pecuniary gain or profit to the members thereof and is organized solely for nonprofit purposes. Upon the dissolution of the HCAA, after paying or adequately providing for the debts and obligations of the HCAA, the remaining assets shall be distributed to a nonprofit fund, foundation, or corporation in California which is organized and operated exclusively for education and/or scientific purposes and which has established its tax-exempt status under the Internal Revenue Code; provided, however, that if such dissolution shall occur in connection with an event other than liquidation, then the assets of the HCAA shall be distributed to the entity charged with performing the functions and fulfilling the purposes enumerated in Article II.

#### XIV. AMENDMENTS TO BYLAWS

- A. **AMENDMENTS:** Subject to any restriction imposed by the California Corporations Code, these Bylaws may be amended by approval of two-thirds (2/3) of the voting power present, entitled to vote, and voting on the issue at any HCAA Board, Delegates or Membership meeting.
- B. **NOTICE:** Notices of any proposed alterations or amendments shall be mailed to each member entitled to vote at least thirty (30) days prior to the meeting at which the proposed amendment is to be considered.