



# HEALTH CARE ADMINISTRATORS ASSOCIATION BYLAWS

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## I. NAME AND LOCATION

- A. NAME: The name of this organization is the Health Care Administrators Association (“HCAA” or “the Association”), incorporated as a nonprofit mutual benefit corporation under the laws of the State of California.
- B. LOCATION: HCAA shall maintain a registered office and a registered agent in California. The principal office of the Association shall be in California or such other location 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

The purpose of HCAA is to improve the quality, sustainability and value of self-funding and health care benefit administration.

- A. ORGANIZATION OF LOCAL DIVISIONS: HCAA may establish local divisions to further the objectives of HCAA in various geographic territories as the Board of Directors determines.
  - i. 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: Any business entity, including sole proprietorships, or individuals meeting the membership requirements set forth in Section III.B. of these Bylaws shall be eligible to apply to become a member of the Association. The Board of Directors, which shall act on all membership applications, may, from time to time, establish dues, assessments, fees, and other conditions of membership. Each voting member shall designate in writing one individual who shall be entitled to cast the member's vote.
- B. MEMBERSHIP CLASSIFICATIONS. There shall be five classes of membership, as follows:
- i. REGULAR MEMBER: Any business entity regularly engaged in third party administration of health care benefit plans, including FSA, COBRA, HRA and HSA shall be eligible to apply to become a Regular Member of the Association.
  - ii. AFFILIATE MEMBER: Any business entity, including PBMs, engaged in providing supporting services or products to entities eligible for membership in the Association shall be eligible to apply to become an Affiliate Member of the Association.
  - iii. PLAN SPONSORS: Plan Sponsors who are not involved in the business of administration shall be eligible to apply to become a member of the Association. Plan Sponsor members are eligible to attend HCAA events at the Regular Member rates.
  - iv. EMERITUS MEMBER: Any individual who was employed by or affiliated with a TPA Member or an Affiliate Member and active in the affairs of the Association for at least 5 years, as determined by the Board of Directors, or who has retired from the active practice of third party administration, or its support, shall be eligible to apply to become an Emeritus Member of the Association.
  - v. PAST PRESIDENT: Any individual who served as an HCAA President, or anyone given Presidential status, by the Board. They will be eligible for lifetime free individual membership for their service and are eligible to attend HCAA events at the Regular member rate.
- B. VOTING MEMBERS: All Members of HCAA are entitled to vote on matters brought before the membership if such Members are current in all dues and fees owed HCAA and have complied with all other conditions established from time to time by the Board of Directors for Membership.

#### D. TERMINATION OF MEMBERSHIPS:

- i. The membership (as defined in III B.) 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 the Bylaws.
  - d. The failure of the member to act in accordance with the standards of the HCAA Code of Conduct.
- ii. 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 any membership is terminated under Section D. Subsection i. Sub-subsections c. or 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 member as shown on HCAA'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 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 should be terminated or 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 shall 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 Membership or by the President.
- D. QUORUM: Attendance of twenty-five percent (25%) of the Membership 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 the purpose(s) for which the meeting is called, shall be communicated by personal delivery, regular mail or electronic mail by the CEO, or by such person(s) calling the meeting, to each Member of record of HCAA, not more than ninety (90) nor less than ten (10) calendar days, or twenty (20) calendar days if the notice is given by regular mail, prior to the date of any meeting of the members.
  - i. Notice of any meeting may be waived by any Member in writing either before or after the meeting. Attendance of a Member at any meeting shall constitute a waiver of notice at such meeting.
- F. VOTING:
  - i. ELIGIBILITY: Members who are eligible to vote under the provisions of Article III. C. above may vote at any meeting of the membership. Each Member shall have one (1) vote on matters brought or required to be brought before an annual or special meeting of the membership.
  - ii. PROXY: Proxy voting is not permitted.
  - iii. MANNER OF VOTING: Voting shall be done by voice vote at all meetings of the membership, Board of Directors, Committees and Task Forces. 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.
  - iv. ACTION WITHOUT A MEETING: Action which may be taken at any regular or special meeting of members may be taken without a meeting, when determined by the Board of Directors, if the written ballot of every 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.

- v. VOTE REQUIRED: When a quorum is present or represented at any meeting or for any electronic or written ballot vote, the vote of a majority of the 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 the Board of Directors.
- 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 be January 1-December 31.

## VI. BOARD OF DIRECTORS

- A. NUMBER: The Board of Directors shall consist of a maximum of thirteen (13) duly elected directors. To be eligible to serve on the Board, one must be an owner, principal or senior executive of a Regular Member, or an Affiliate Member. No more than four of directors may be representatives of Affiliate Members.
  - i. MULTIPLE REPRESENTATIVES FROM ONE COMPANY. 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 an immediate resignation from the Board.
  - ii. PAST PRESIDENT LIAISON. The Immediate Past President, upon completing their two-year term, will become the Past President Liaison to the HCAA Board of Directors. This position is as an advisor to the Board. It is a non-voting position. All benefits provided to the Board are applicable to the Liaison if he or she is in good standing. The Past President Liaison is eligible to serve as a Board Director again after the expiry of a two-year waiting period, as prescribed by the Bylaws.

- iii. LOSS OF DIRECTOR ELIGIBILITY. Any individual who, while serving on the Board of Directors, loses his or her eligibility for such service other than pursuant to Section VI. Subsection A. Sub-subsection i., shall have a period of one (1) year within which to regain such eligibility; any director failing to regain eligibility within such one-year period shall be deemed to have resigned from the Board.

C. POWERS: Subject to the provisions of the California Nonprofit Mutual 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 OF THE BOARD OF DIRECTORS: It shall be the duty of the Board of Directors to:

- i. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of HCAA, or by these Bylaws;
- ii. 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;
- iii. Supervise all officers, agents and employees of HCAA to assure that their duties are performed properly;
- iv. Meet at such times and places as required by these Bylaws;
- v. Register their addresses with the CEO of HCAA; notices of meetings electronically communicated to them at such addresses shall be valid notices thereof.

D. DUTIES OF THE PAST PRESIDENT LIAISON

- i. Attend Board meetings and Strategic Planning to provide expertise and counsel to Directors.
- ii. Participate in Committees/Task Forces to provide leadership and expertise.
- iii. Assist in identifying and developing candidates for future Committee/Task Force roles and future Board Director positions.

E. ELECTION AND TERMS OF OFFICE: Directors shall be elected annually by a vote of the Membership. Such election shall be conducted either at the Annual Meeting of the members or, if so determined by the Board, by a written ballot of the Membership. Nominees shall be proposed by the Leadership Development Task Force and approved by the Board of Directors. Each Director shall hold office until the expiration of his or her term, until his or her earlier death, until his or her resignation or removal from office, or until his or her successor is elected and qualifies. A former Director is eligible to be re-elected to the Board after a two-year waiting period provided they meet the qualifications set forth in HCAA Bylaws Section VI.A.

Terms shall be defined as follows:

i. BOARD DIRECTORS: Directors serving on the Board shall serve staggered three-year terms with a maximum limit of two consecutive terms. Staggered terms will mean that no more than three Board members' terms will expire in any one year.

F. COMPENSATION: Directors shall serve without compensation. The Board of Directors, in its discretion, may establish a formal policy for volunteer expense reimbursement.

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 communicate simultaneously with 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 or the Treasurer, or by the request of five Directors, and such meetings shall be held at the place, within or without the State of California, designated by the President or the Board, 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 additional 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. Such notices shall be addressed to each director at his or her address as shown on the books of the Association.

K. CONTENTS OF NOTICE: Notice of meetings 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 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. 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 Association.
- 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 Mutual Benefit Corporation Law, particularly those provisions relating to appointment of committees and task forces (Section 7212), approval of contracts or transactions in which a director has a material financial interest (Section 7233) and indemnification of directors (Section 7237e), 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. HCAA Staff 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 7233 of the California Nonprofit Mutual 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. RESIGNATION, REMOVAL AND VACANCIES:** Vacancies on the Board of Directors shall exist:

- i. On the death, resignation or removal of any director,
- ii. Whenever the number of authorized directors is increased and
- iii. 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 7230 and following of the California Nonprofit Mutual Benefit Corporation Law. Directors may be removed without cause by a majority vote of the members.

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.

Any director who is absent from more than one third of the meetings of the Board in any calendar year shall, unless such absences are excused by the affirmative act of the Board, be deemed to have resigned from the Board and from any office held. The Board President may excuse absences.

Vacancies on the Board due to the above circumstance(s) shall be filled by a majority vote 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 in Subsection M. above, then directors shall be elected by a majority vote of the remaining directors. A person elected to fill a vacancy shall start their own set of terms and may serve up to two, three-year terms unless they are elected to become an officer, 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 except as provided by applicable law.
- S. BOARD MEETING VOTING: Each Board Officer and Board Director in good standing will have one equal vote in any matters brought before the Board. A simple majority carries the vote. In case of any ties, the last vote cast will be that of the President (or Vice President in his/her absence) to break the tie. All votes are voice votes unless otherwise notified.

## VII. OFFICERS

- A. NUMBER: The elected officers of HCAA shall be a President, a Vice President, a Treasurer and the Immediate Past President. Only representatives of Regular Members in good standing may serve as President, Vice President and Immediate Past President officers of the Association. The office of Treasurer may be filled by any qualified Member classification. Any number of offices may be held by the same person except the Treasurer may not serve simultaneously serve as the President.
- B. QUALIFICATION, ELECTION, AND TERM OF OFFICE: Officers shall be elected every two years by the Board of Directors from among the directors; 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. Each office shall have a two-year term, except the Treasurer, who will have two (2) year terms.
- 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 elected 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 President or, in the case of the resignation of the President, to the Treasurer. 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, subject to the control of the Board of Directors, supervise 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 and the Executive Committee.
- G. DUTIES OF PRESIDENT: 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. The President shall, upon conclusion of his or her term as President, automatically succeed to the office of Immediate Past President.
- H. 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.
- I. DUTIES OF TREASURER: The duties of the /Treasurer, all or any portion of which may be delegated by the Board of Directors to the Association's professional management, shall include the following:
- i. 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.
  - ii. Receive, and give receipt for, monies due and payable to HCAA from any source whatsoever.
  - iii. 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.
  - iv. Keep and maintain adequate and correct accounts of properties and business transactions, including accounts of its assets, liabilities, receipts, disbursement, gains and losses.

- v. 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.
- vi. Render to the President and the Board of Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of HCAA.
- vii. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statement to be included in any required reports.
- viii. Certify and keep at the principal office of HCAA the original or a copy of these Bylaws as amended or otherwise altered to date.
- ix. 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 Board of Directors, and, if applicable, meetings of committees, of task forces, 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.
- x. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- xi. Be custodian of the records.
- xii. Keep at the principal office of HCAA a membership roster 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 roster together with the date on which such membership ceased.
- xiii. 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 roster, and the minutes of proceedings of the Board of Directors of HCAA.
- xiv. In general, perform all 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. DUTIES OF IMMEDIATE PAST PRESIDENT: The Immediate Past President shall serve on the Executive Committee, chair the Leadership Development Task Force and perform such additional duties as may be assigned by the Board of Directors.

K. COMPENSATION: Officers shall serve without compensation.

## VIII. COMMITTEES AND TASK FORCES

### A. EXECUTIVE COMMITTEE

- i. **AUTHORITY AND RESPONSIBILITY:** The Executive Committee may act in place and stead of the Board of Directors between Board meetings on all matters except those specifically reserved to the Board by these Bylaws or by applicable law. Actions of the Executive Committee shall be reported to the Board by mail or at the next Board meeting.
- ii. **COMPOSITION:** The Executive Committee shall consist of the President, Vice President, Treasurer and Immediate Past President.
- iii. **QUORUM AND CALL OF MEETING:** A majority of the Executive Committee shall constitute a quorum at any duly called meeting of the Committee. The
- iv. President shall call such meetings of the Executive Committee as the business of HCAA may require, or a meeting shall be called by any two members of the Executive Committee.

B. **LEADERSHIP DEVELOPMENT TASK FORCE:** The President shall appoint, with the approval of the Board, a Leadership Development Task Force which shall consist of no less than three (3) and no more than five (5) representatives of 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 Task Force shall be reappointed to the following year's Task Force to insure continuity. The Leadership Development Task Force shall, sufficiently in advance of the scheduled election of directors, prepare and submit to the Board of Directors for its approval a slate of at least one nominee for each upcoming Board vacancy to be filled by election. Once approved by the Board of directors, the slate of nominees shall be submitted to a vote of the Membership in the manner determined by the Board.

C. **AUDIT AND FINANCE COMMITTEE:** The Board of Directors shall elect an Audit and Finance Committee consisting of three to five people, including the Treasurer and other Board members who are not compensated for their service on the Committee and do not have a financial interest or any other conflict of interest with any entity doing business with HCAA. The President shall not be a member of the Committee. No members of staff, except the CEO, shall serve on the Audit and Finance Committee. At least one member of the Audit and Finance Committee should, to the extent possible, have adequate financial experience to understand, analyze and reasonably assess the financial statements of HCAA and the competency of the auditing firm.

D. **OTHER COMMITTEES AND TASK FORCES:** HCAA shall have such other committees and task forces as may from time to time be designated by resolution of

the Board of Directors. Such other committees and task forces may consist of persons who are not also members of the Board. These additional committees and task forces shall act in an advisory capacity only to the Board. Committee and Task Force actions and recommendations shall be subject to the approval of the Board of Directors. Committee and Task Force members may serve as spokespersons for the HCAA only when directed to do so by the Board of Directors.

- E. MEETINGS AND ACTION OF COMMITTEES AND TASK FORCES: Meetings and actions of committees and task forces 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 committees, task forces and their members for the Board of Directors and its members, except that the time for regular meetings of committees and task forces may be fixed by resolution of the Board of Directors or by the committee or task force. The time for special meetings of committees and task forces 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 and task forces to the extent that such rules and regulations are not inconsistent with the provision of these Bylaws.

## IX. CORPORATE RECORDS AND REPORTS

- A. MAINTENANCE OF CORPORATE RECORDS: HCAA shall keep the following records at its principal office at a location designated by the Board of Directors.
- i. Minutes of all meetings of the Board 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;
  - ii. 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;
  - iii. 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;
  - iv. A copy of the Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members as required by law.
- B. 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.

C. MEMBERS' INSPECTION RIGHTS: Each Member shall have the right to inspect the books and records of the Association as provided in the California Nonprofit Mutual Benefit Corporation Law.

a. To inspect and copy the record of all member's names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand.

D. 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.

E. ANNUAL REPORT: HCAA's President will make an annual report on the State of the Association at an HCAA conference. Text of the report thereafter is available to any Member that requests it.

## X. FINANCES

A. FISCAL PERIOD: The fiscal period of HCAA shall be as determined from time to time by the Board of Directors.

B. ANNUAL FINANCIAL REPORT: Not later than seventy-five (75) days after the close of the calendar year, HCAA shall prepare an annual financial report for the calendar year containing:

i. A balance sheet as of the end of the calendar year,

ii. An income statement,

iii. A statement of changes in financial position and

iv. 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: Upon the recommendation of the Executive Committee, the Board of Directors shall adopt an annual operating budget covering all activities of HCAA.

## XI. BUSINESS MATTERS

### A. MANAGEMENT AND STAFF

i. APPOINTMENT: The Board of Directors shall employ or engage a management staff (Staff), the terms and conditions of which shall be specified by the Board.

- ii. **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 shall report and be 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 or engage 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 as may be requested from time to time.

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

- i. **EXECUTION OF INSTRUMENTS:** Instruments shall be handled in accordance with Board of Directors approved policies as may be enacted from time to time.
- ii. **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.
- iii. **GIFTS:** The Board of Directors may accept on behalf of HCAA any contribution, gift, bequest, or devise for the 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, judgements, 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 7237 of the California Nonprofit Mutual 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 7233 of the California Nonprofit Mutual Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of HCAA would have the power to indemnify the agent against such liability under the provision of Section 7237 of the California Nonprofit Mutual Benefit Corporation Law.

- E. RULES OF ORDER: The latest edition of Robert's Rules of Order shall be the parliamentary authority for HCAA when not in conflict with these Bylaws, the Articles of Incorporation, California or federal laws, or policies and procedures duly adopted by the Board of Directors. The HCAA President may appoint a Parliamentarian, with the concurrence of the Board of Directors.
- F. DISSOLUTION: 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, as determined by the Board of Directors, in a manner consistent with the Association's Articles of Incorporation, the California Nonprofit Mutual Benefit Corporation Law and the provisions of the Internal revenue Code applicable to organizations exempt from federal income taxation under Section 501(c)(6) of the Code.

## XII. AMENDMENTS TO BYLAWS

- A. AMENDMENTS: Except when approval by the members is required by the California Nonprofit Mutual Benefit Corporation Law, these Bylaws may be amended by a two-thirds (2/3) vote of the Board of Directors. When member approval is required, these Bylaws may be amended by a two-thirds vote of the Board of Directors, following by a two-thirds (2/3) vote of the Membership.
- 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.