

3.

History of SACRS

3.1 HISTORY OF SACRS

Introduction

This section provides the history of SACRS as related by **John Descamp**, former Retirement Administrator of the Sacramento County Employees' Retirement System, and a letter from former Los Angeles County Treasurer **HB Alvord**.

Letter from John Descamp

SACRS NOVEMBER 1993 TRAINING

To Attendees:

Quite a long time ago, 1978 in fact, I attended my first semi-annual conference of what was then the "State Association Of County Retirement Administrators" later changed to "State Association of County Retirement Systems" (SACRS). I attended with my boss, Mr. Frank Skiba, who served as a "Retirement Officer" for Sacramento County. He, in turn, attended with his boss, Jack Depew, Sacramento County Treasurer. I served as an "Administrative Trainee."

My relationships with Frank and Jack were cordial and, from day one, I learned a lot about the pension business from both. Three years later I became the County's Retirement Officer. Then, in 1986, the Sacramento County Retirement Board took a major step to separate retirement system administration from the Treasurer's office. I was fortunate to be appointed the Sacramento County Employees' Retirement System Administrator.

We even had legislation passed to formally create the position of "chief retirement administrator" who serves at the pleasure of the Board and is not afforded Civil Service protection.

I have very positively evolved in Sacramento County and retirement system service. Similarly, since 1978, I have been fortunate to also see and help SACRS evolve, in my view very positively, from an association primarily of 1937 Act county treasurers and very few non-treasurer administrators, to an association with considerably broader representation.

This is the SACRS we now know.

Letter from John Descamp Continued...

I believe it important, however, for our SACRS members who know little or less than I about the Association to have some sense about how the Association started, progressed, evolved, etc., and to give a bit of recognition to those responsible.

For this purpose I called upon one of our own, former Sacramento County Treasurer, Los Angeles County Treasurer, and former SACRS officer, H.B. Alvord, to recollect for us his thoughts on SACRS and his experience with the association.

H.B. has done so and the attached letter from him dated September 28, 1992, is for your reading.

Thanks to H.B and to all of you.

Let's work together to help SACRS and all of us continue to progress.

- JOHN R. DESCAMP

Letter from HB Alvord

September 28, 1992

John R. Descamp
Retirement Administrator
Sacramento County Employees'
Retirement System

Dear John:

This letter is to respond to your request for information relative to how the SACRS organization evolved. Much of what I write below is based on what I have been told over the years, as I do not have any first-hand knowledge prior to my becoming involved in 1967. In advance, I should tell you that typing is not my strongest skill.

The Legislature, I am told, passed the original 1937 Retirement Act at the instigation of Los Angeles County, the first county to adopt the act, which it did in 1938. Other counties voted to adopt the Act in the 1940's and 1950's, though I don't know in what order.

To find that out, I think one would have to poll all 20 counties. I believe Sacramento came in 1941. Stan Fontez (Joe Coffrini's predecessor) told me over the phone a couple of weeks ago that Marin was one of the later counties to join in the mid to late 1950's.

My spies tell me that among the prime movers in getting the 1937 Act off and running were Howard Byram, Los Angeles County Treasurer from the early 1930's until his retirement in 1961, a Judge Deasy, a former LA County Counsel Office attorney, and Edward, "Ned" Gaylord, Deputy County Counsel in the LA County Counsel's Office from 1939 until retirement in 1973.

Letter from HB Alvord Continued...

Indeed, I have been told by several people in the LA County Counsel's Office that Ned Gaylord had written most of the Act himself. In talking to Mr. Gaylord on the telephone earlier this month, I learned that while he wrote many of the Act's amendments from the start of his career with LA. County until retirement, he was not involved in writing the original Act itself. He was in the Legislative County's Office at the time. Mr. Gaylord is still living in Southern California and is believed to be in his 90's.

Starting sometime in the late 1960's, Joe Kase of San Diego County Counsel's Office for many years wrote most of the amendments to the Law proposed by the Retirement Administrator's group.

We are all aware that the Act has been amended several times per year in almost every year since 1938, so it is a far different Act today than it was at origin. It allows a much wider choice of benefit levels and a much wider range of retirement policies available to the employing counties and Special Districts than at origin. I have sensed a less paternalistic tone to the Act in recent years, especially with the advent of the no-contribution by employees option in the early 1980's. Some have compared the Act to a cafeteria or Smorgasbord.

It is my belief that the original Act designated the county treasurer as the Retirement Systems' Administrator with the authority to make investments subject to the approval of the members of the Retirement Board, and the county treasurer was also made a member of the governing boards.

Originally, the boards had five members: two elected employee members, two members of the general public appointed by the Board of Supervisors, and the treasurer. The treasurer also had responsibility for the custody and safekeeping of investments as well as responsibility for administration of the system.

Letter from HB Alvord Continued...

As the county treasurers, administrators of each county retirement system which adopted the 1937 Act, already had an active association and meetings of their own, it was not un-natural that those 1937 Act treasurers, already knowing and cooperating with each other in matters of common interest, would start a separate group of their own-as retirement administrators, to pursue their common interests in 1937 Act retirement administration.

I don't know that it happened this way, but I can't imagine it was much different.

As instigator of the 1937 Act and the largest county, the L.A. County Counsel and Treasurer took the lead. I have been told by several sources that for many years, starting I don't know when, but probably in the mid to late 1940's, Howard Byram, L.A. County Treasurer, invited the other 1937 Act treasurers to L.A. where they met in the cafeteria of the county building to discuss common problems. In those days there were no associate members or board members in the "Association." It was described as a "shirt-sleeved working session."

Howard Byram was the undisputed leader of the group which called itself "Retirement Administrators". Eventually other county treasures suggested that meeting be held in places other than Los Angeles County's cafeteria. Al Sagehom, San Mateo County Treasurer, was; I am told, a leader in this movement which led to the meetings' location being moved from place to place among the various '37 Act Counties.

Letter from HB Alvord Continued...

Stan Fontez recalls that Sagehom became President of the group in the late 1950's or when Byram retired in 1971. Shortly thereafter, Harold J. Ostly became L.A County Treasurer and from the very start took an extremely active role in retirement administration. I don't know exactly when he became President of the Retirement Administrators, but I know he had been President for several years when I first attended, representing Sacramento County in 1967.

By that time a few treasurers had started to bring their #1 retirement administration deputies and some even sent the main retirement deputy and did not attend themselves. At the first meeting I attended, an elected employee board member attended with me, but she was one of very few.

At that meeting, the total attendance was 46. This figure included representative from two actuarial firms and one or two county counsel representatives. Eighteen counties were represented. Joe Kase of San Diego was present and in all the earlier meetings I attended. He was the key attorney present and wrote most of the amendments which the retirement administrators had proposed.

Most of the time of the earlier meetings I attended was spent on, "How do you solve this retirement administration problem in your county," the entire group taking part in the discussion.

By that time also, and apparently starting a few years earlier, Ostly or the Host Treasurer had arranged for the hosting of a lunch or a dinner during the meeting on a comparatively modest basis, with bankers who already had relations with the treasurers.

Letter from HB Alvord Continued...

During those years there were no regular dues and to the best of my recollection, no written constitution or by-laws. When minimal expenses were incurred, Ostly asked each county to contribute \$10 or \$15 to the group, which covered all expenses for a year or two.

Harold Ostly took a very active role in moving the group to more political action, not only to facilitate improved administration, but to improve benefits. Ostly personally went often to Sacramento to lobby for the Association's position, whether it was for better benefits or improved administration potential. Ostly had his retirement staff write an analysis of each bill on retirement with a Yea or Nay recommendation which he distributed to each '37 Act County.

When I was with L.A. County the retirement staff of L.A. County continued that practice and Ed Martin, Chief of the Retirement Division, took over the lobbying duties. When he retired (in 1979 or 80?) the lobbying effort, for a variety of reasons, slowed down. I know that I didn't go to Sacramento nearly as often as Ostly or Ed Martin had.

In addition, the Association, (and by this time it was called the Retirement Administrators' Association), with essential help from San Diego County, printed 1937 Act Law books every year or two for use by administrators, staff and counsel.

In the 1960's permissive legislation sponsored by safety members state-wide brought greater benefits and higher contributions from safety members and safety member representation on the retirement boards, including an alternate safety member, for the boards. An additional public member appointed by the board of supervisors was added at the same time to provide balance.

Letter from HB Alvord Continued...

In 1966, a State Constitutional Amendment was passed by the voters mandating the legislature to pass enabling legislation permitting public retirement funds to invest in common stock to a maximum of 25 % for the fund, based on cost.

Previously investments were all in some sort of fixed income. The new law gave stock brokers and investment advisors an interest in public retirement funds in California, resulting in additional attendance at our meeting. Los Angeles County moved into stock investments as soon as it was legal in 1967. Sacramento County followed in 1968 (Feb.). Most, but not all other '37 Act counties followed over time.

In the meantime, attendance at retirement administrator meetings grew with more board members attending our meetings and greater hosting participation by bankers and an occasional investment broker.

In about 1969 or 1970 a written constitution was instituted for the Association that provided for one vote per county on all issues with the treasurer or his proxy having the voting power. The latter provision was controversial at the time and grew more so as attendance by board members continued to grow.

In the early 1970's further legislation provided for representation for retirees on the retirement boards plus an additional public member, which brought retirement board membership to nine plus one alternate.

Letter from HB Alvord Continued...

At about the same time, at an Association meeting held at Coronado, the host treasurer, Delavan Dickson of San Diego, went "all-out" in requesting and getting increased hosting participation by financial community people for lunches, dinners and other events to entertain attendees. From then on, hosted events of entertainment, lunches, dinners, breakfasts, golf tournaments, et. al. became (until recently) an increasingly important part of the meeting helping to bring still greater attendance.

Also bringing greater attendance was the ever increasing money growth of the various retirement systems providing greater marketing opportunities for all manner of vendors.

Even greater vendor participation was engendered by the passage of the Prudent Man Law for public pension funds in California in 1984. In the meantime, greater attendance by board members and greater participation by them beginning in the early 1970's brought changes, one of which was less domination of the Association by the treasurers.

The adoption of permissive legislation to allow retirement boards to adopt their own budgets, in lieu of having retirement administration expense as part of the county treasurers' budgets, and to allow the boards to appoint a retirement administrator separate from the treasurer was a further step in this direction.

While two or three counties (Alameda & San Bernardino) had adopted this prior to 1978, the passage of Proposition 13 that year gave additional incentive to taking any expense possible off the counties' budgets.

Letter from HB Alvord Continued...

All this forced a change in the Association's Bylaws and Constitution to allow for a greater role by retirement board members and especially for non-treasurer retirement administrators appointed by various retirement boards to administer their systems.

I left out saying that Stan Fontez of Marin was President for two or three years, replacing Hal Ostly, because of the latter's ill-health. (Ostly retired in 1974 and died, I believe in 1976.) I think Stan retired in 1975 and I took over from him, serving four or five years. We did not have set terms in those days, but in my case, I stepped down because I didn't think the L.A. County Treasurer had a permanent right to the job (I moved to LA February 3, 1975) plus the press of other business and frankly was a bit tired of the flak from a few who didn't like programs I arranged.

Certainly we did not have as good an organization as we do now. The late Bob Branch of Ventura County succeeded me and I think stayed on for three or four more years. I believe it was after that a change in the Bylaws provided for a set term for the various officers.

I think you are more aware than I of what has happened over the Past few years so I won't go into that.

To sum up, the key word seems to me to be **GROWTH** - Growth from a small "shirt sleeved working session" to what you have today because of growth of assets, growth of the retirement boards from five to seven and then to nine members, growth of investment options, growth in the complexity of the governing laws, and probably growth in a lot of other ways.

Letter from HB Alvord Continued...

Another factor is the slow evolvement of the organization from a small group of county treasurers acting in their role as retirement administrators discussing administrative problems to the much larger organization involved in every phase of the complicated subject of retirement. In the early days of the '37 Act, the treasurer, as the designated retirement administrator and the only board member (of five) who was on the job in the office every day working on retirement matters, tended to be the key figure on the board in our organization.

It was inevitable however, that with the changes cited above, the role of everyone would change, including that of the treasurers. I can tell you from personal experience that it is a lot easier to get your points across and objectives accomplished working with a five member board than with one of nine members. I don't recall having the privilege of being the dominant or key figure anyplace. When I came on board in Sacramento, Larry Heringer, a dominant personality if ever there was one, had been Board Chairman from inception in 1941 and continued in that capacity until his death in the late 1970's.

While he tended to dominate the board meetings, we worked very well together as a team and had a great personal regard for each other. Retirement administration certainly has provided marvelous career opportunities for those of us fortunate enough to be involved. I feel privileged indeed, even now in retirement, to have been a part of SACRS and its evolving predecessor organization for the past 25 years.

Hope this helps!

**As Ever,
H.B.ALVORD**

3.2-1 WHAT IS SACRS

Introduction

In the late 1930's and the 1940's, individual counties established retirement systems by the adoption of an ordinance, accepting the provisions of the County Employees Retirement Law (CERL) of 1937. The CERL, or 1937 Act, governs the benefits and administration of these county retirement systems. Over time, twenty California counties opted to adopt such an ordinance.

The counties of the State of California are classified according to their population. The twenty county members of SACRS have the following classes:

CLASS	COUNTY
1 st	Los Angeles
2 nd	Orange
3 rd	San Diego
4 th	Alameda
7 th	San Bernardino
8 th	Sacramento
9 th	Contra Costa
10 th	San Mateo
12 th	Fresno
13 th	Ventura
14 th	Kern
15 th	San Joaquin
16 th	Santa Barbara
18 th	Marin
19 th	Sonoma
20 th	Stanislaus
21 st	Tulare
25 th	Merced
32 nd	Imperial
34 th	Mendocino

Introduction Continued

During the early years, the individual retirement systems were isolated. The County Treasurers, through their association, worked on legislation affecting the retirement systems. In the early 1970's, a wider confederation was formed and, as time went on, these counties banded together into the **State Association of County Retirement Systems (SACRS)**.

The constitution of SACRS states that the purpose of SACRS is to provide forums for disseminating knowledge of, and developing expertise in, the 1937 Act retirement systems; and further, that the Association foster and take an active role in the legislative process as it affects SACRS retirement systems.

SACRS now meets twice a year with all 20 counties participating through attendance by Trustees, Treasurers, Administrators, and staff. Education and legislation are the principle focus of these meetings, particularly education in the areas of investment and fiduciary responsibility.

Education

SACRS provides education to its membership through semi-annual conferences and educational symposiums. The SACRS Education and Program Committees work together to develop each conference's agenda and sessions. Conference programs are developed to encompass a wide range of topics that will assist administrators, trustees, and affiliate members with their knowledge of all areas of investing for or running a public pension plan. Conferences also provide breakout sessions so that members have an opportunity to meet with their counterparts in other 37 Act Systems and to discuss current issues. Education symposiums are held whenever the SACRS Board of Directors determines a pressing issue that is driving the need for a meeting in which experts can present information to assist retirement systems.

Recently SACRS, in conjunction with UC Berkeley, developed and now offers a Public Pension Management Program. The program provides education to members on areas of investments.

Education Continued

SACRS also provides a Trustee Handbook to new 37 Act Trustees which gives them information on all aspects of 37 Act pension plans and their fiduciary responsibilities.

SACRS CONFERENCE SCHEDULE 2009-2012

SPRING 2009

May 12-15
Hyatt Regency
Embarcadero Center
San Francisco, CA

FALL 2010

November 9-12
Sheraton Universal
Universal City, CA

SPRING 2012

May 7-11
The Resort at Squaw Creek
Lake Tahoe, CA

FALL 2009

November 10-13
The Westin
South Coast Plaza
Costa Mesa, CA

SPRING 2011

May 10-13
Fess Parker's
Doubletree Resort
Santa Barbara, CA

FALL 2012

November 12-16
Renaissance Hollywood Hotel
Hollywood, CA

SPRING 2010

May 11-14
Marriott Newport Beach
Hotel and Spa
Newport Beach, CA

FALL 2011

November 8-11
The Westin
South Coast Plaza
Costa Mesa, CA

Communication

One of the goals of SACRS is to distribute information regarding current issues affecting public pension plans to the 37 Act Systems. SACRS will often survey the systems in order to establish a stance or official position when needed. SACRS also provides communication in support of our retirement plans. In addition to the vast amount of information provided at conferences and symposiums, SACRS also provides legislative updates and communication to members regarding any current topics through the SACRS Magazine. Articles from the SACRS President, Secretary, and other experts provide the most up to date information about what's happening in the areas of pension, health, and investments for retirement plans.

Recent SACRS Magazine Articles

“The OPEB Challenge – Mapping a Comprehensive Strategy for Public Employers”

“Transition Management in Times of Market Volatility”

The Generative Value of It-Driven Wellmess Programs”

“Be Prudent-Don’t Panic!”

Legislation

The SACRS Legislative Committee is a 15-member Committee comprised of system Administrators, legal counsel, Trustees, an actuary, and a non-voting lobbyist. Each year the Committee solicits, reviews, and helps draft legislation and facilitates introduction of that legislation on behalf of the 20 California Retirement Systems operating under the 1937 Act. SACRS legislative staff, volunteers, and lobbyists work together through the SACRS Legislative Committee to guide the legislation through the California legislative process. The Committee meets monthly in a public setting to review, discuss and analyze the progress of the introduced legislation, as well as monitor other public pension legislation introduced in the California Senate and Assembly. The Committee makes two presentations to the general membership at the semi-annual SACRS conferences to update the progress and results of the current legislation session.

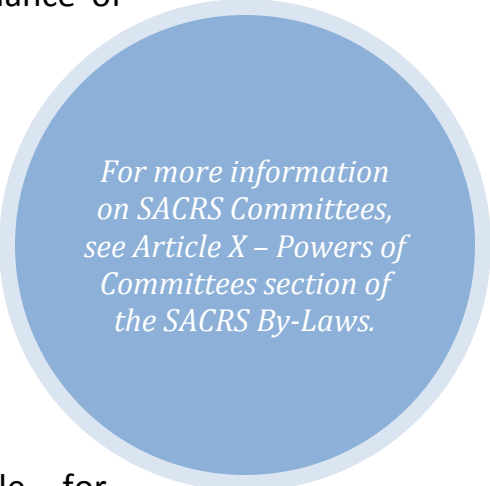
Board of Directors

The SACRS officers, upon being elected, comprise the Board. They include the President, the Vice-President, the Secretary, the Treasurer, and the immediate Past-President. The officers are elected by majority vote of the quorum of delegates for the 37 Act systems. The officers remain in office for a term of one year. For more information on the officers' roles and the election process, see Article VI – Officers section of the enclosed SACRS By-Laws.

SACRS Committees

The SACRS Committees are assigned specific roles in support of the SACRS Mission and the Board of Directors. Below is a list of the current committees:

- Legislative Committee: Responsible for the legislative activities of SACRS.
- Bylaws Committee: Responsible for the maintenance of the Articles of Incorporation and the Bylaws.
- Program Committee: Responsible for the program of two annual SACRS Conferences.
- Audit Committee: Responsible for SACRS audits.
- Credentials Committee: Responsible for verifying designated voting delegates at all meetings where a delegate vote is conducted.
- Affiliate Membership Committee: Responsible for providing counsel and advice to the Board regarding educational activities.
- Education Committee: Responsible for the educational activities of SACRS.
- Resolutions Committee: Responsible for analyzing proposed resolutions and making recommendations for adoption, rejection, or amendment prior to consideration by the delegates.



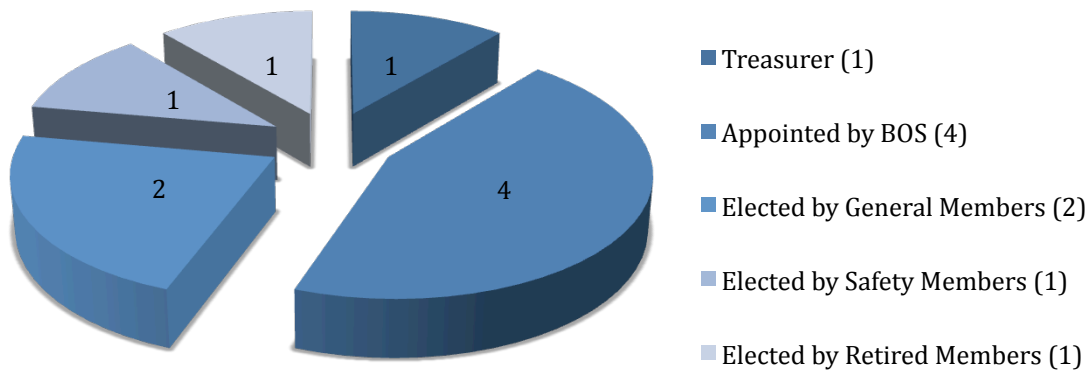
For more information on SACRS Committees, see Article X – Powers of Committees section of the SACRS By-Laws.

3.2-8 WHAT IS SACRS

Except for the Board of Investment in Los Angeles County (which has jurisdiction over investments and funding matters) the management of each county retirement system is vested in the Board of Retirement, consisting of nine trustees.

Four are elected by their peers for 3-year terms (2 general members, 1 safety member, and 1 retired member of the plan); four public members are appointed to 3-year terms by the Board of Supervisors; and one is the County Treasurer.

Standard Board Composition



Some Boards have an alternate safety member and/or alternate retired member and/or alternate appointed member. The Boards of Retirement, or Board of Investment for Los Angeles County, have fiduciary responsibility for and control of the investment of the employees' retirement fund.

3.3-1 SACRS BY-LAWS

Section 3.3 breaks down the SACRS by-laws by article.

ARTICLE I - NAME, MISSION, PURPOSES AND GENERAL POLICY

Section 1. Name The name of this corporation is State Association of County Retirement Systems (“SACRS”).

Section 2. Mission The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Section 3. General Purpose SACRS is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public purposes.

Section 4. Specific Purpose The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of county retirement systems existing under the County Employees Retirement Law of 1937 as set forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Section 5. Limitations SACRS is organized exclusively for purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the “Code”), or the corresponding provisions of any future United States Internal Revenue Law. Notwithstanding any other provision of these Bylaws, SACRS shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of SACRS, and SACRS shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Code or the corresponding provisions of any future United States Internal Revenue Law.

Section 6. Private Benefit All of SACRS’ property is irrevocably dedicated to social welfare purposes. No part of the net earnings of SACRS shall inure to the benefit of any of its Directors, or any other person or individual.

ARTICLE II - OFFICES

Section 1. Offices. The principal office for the transaction of the business, activities and affairs of SACRS is located in Sacramento, California. The Board of Directors of SACRS (the “Board”) may change the principal office from one location to another.

Section 2. Branch Offices. Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE III – MEMBERSHIP

Section 1. Membership. SACRS shall be composed of regular, associate, nonprofit and affiliate members as hereinafter defined.

Regular Membership. Regular membership shall be extended to all duly elected or appointed members of Boards of Retirement and Investments operating under the County Employees Retirement Law of 1937, California Government Code 31450 et seq. Regular membership shall also be extended to the Administrator of a system operating under the County Employees Retirement Law of 1937 when said Administrator is employed by and reports directly to the Retirement Board of the Member county.

Associate Membership. Associate membership shall be extended to (i) the staff of County Retirement and/or Investment Boards; (ii) those staff of the County Treasurer whose specific duties are retirement related; and (iii) legal counsel advising County Retirement and Investment Boards.

Nonprofit Membership. Nonprofit organizations having an active interest in the purpose of SACRS may be extended nonprofit membership upon (i) the appropriate letter of application approved by the majority vote of the Board, and (ii) payment of the annual Nonprofit membership dues as set forth under Article III, Sections 5 and 6 herein. Nonprofit members will be comprised of two distinct tiers as follows: (i) Nonprofit Retirement Systems - defined as public retirement systems not eligible for regular membership; and (ii) Nonprofit Organizations - defined as nonprofit organization other than public retirement systems.

Affiliate Membership. Affiliate membership may be extended to a retirement-related business or institutional investment-related company or firm on a first come, first served basis as follows: (i) submission of an appropriate letter of application approved by a majority vote of the Board; and (ii) payment of the annual Affiliate membership dues as set forth under Article III, Sections 5 and 6 herein.

Past Presidents. Past Presidents who are no longer eligible for regular membership under Article III, Section 1(a), and who are not eligible for associate or affiliate membership under Article III, Section 1(b) and (d), shall be afforded lifetime membership and the privileges of membership held in the name of SACRS; and shall have their annual regular membership dues as defined in Article III, Section 5(a) and conference registration fees waived by SACRS.

Section 2. Rights of Regular Membership. Regular member County Retirement Systems shall have the right to vote, as set forth in these Bylaws, on the election of the officers/Directors, on the disposition of all or substantially all of the corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, the regular member County Retirement Systems shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law.

Section 3. Rights of Associate and Affiliate Membership. Associate and affiliate members shall be accorded all the rights and privileges to which any regular member is entitled except as specifically restricted in the Articles of Incorporation and these Bylaws. Associate and affiliate members are not entitled to vote.

All associate and affiliate memberships shall be held in the name of the County Retirement System, organization or firm. Membership shall not be personal to an individual.

Affiliate member organizations must designate two (2) representatives by name, on their Letter of Application. Only the Affiliate's two (2) designated representatives shall be afforded registration at SACRS meetings unless specific exceptions are made by a majority vote of the Board.

Section 4. Rights of Nonprofit Membership. Nonprofit Retirement Systems may have up to ten (10) delegates attend the regular meetings, and Nonprofit Organizations may have up to two (2) delegates attend the regular meetings. Nonprofit members are not entitled to vote.

Section 5. Membership Dues and Fees.

Regular Members. Regular member County Retirement Systems shall pay annual dues as approved by the organization's delegates at any noticed meeting. This fee shall, in addition to a regular membership, entitle the member systems to an annual associate membership under Article III, Section 1(b) herein.

Nonprofit Members. Nonprofit members shall pay annual dues in any amount determined by the Board.

Affiliates. Affiliate members shall pay annual dues in any amount determined by the Board.

Registration. Registration fees for meetings may be charged to all members in addition to annual dues.

Section 6. Payment of Annual Dues. Annual dues are due and payable July 1 and are delinquent July 31 of each year. Registration fees are due at the discretion of the Board.

ARTICLE IV – DELEGATES

Section 1. Delegates. Regular member County Retirement Systems shall be entitled to one (1) voting delegate. The delegate shall be designated in writing by the County Retirement Board and shall be a regular member from the member County Retirement System consistent with Article III, Section 1(a) herein.

Section 2. Alternate Delegates. Alternate delegates may be designated in writing by the member County Retirement Board. All alternates shall be regular members consistent with Article III, Section 1(a) herein.

Section 3. Credentials. Credentials for the delegates who are voting participants shall be filed with the Credentials Committee in writing prior to any meeting of SACRS at which voting will take place. Credentials shall include the names of the member County Retirement System, the delegate and alternate delegates, if any, consistent with Section IV, Sections 1 and 2 of these Bylaws.

ARTICLE V - MEMBER MEETINGS

Section 1. Regular Meetings. The membership shall meet to conduct SACRS business once in the Spring and once in the Fall of each calendar year. These meetings shall be referred to as regular meetings.

Section 2. Special Meetings. Special meetings of the membership may be called by (i) a resolution of the membership at a meeting; or (ii) a majority vote of the Board.

Section 3. Site Selection for Meetings. The meeting sites shall be designated by the Board.

Section 4. Agenda for Business Meetings. The Board shall be responsible for the final agenda of all SACRS meetings. The business meeting agendas shall be mailed by first-class postage or provided by Electronic Transmission (as defined in Section 2 of Article XVII) to all members no later than ten (10) days prior to any meeting.

Section 5. Quorum. The presence of eleven (11) credentialed delegates shall constitute a quorum for the transaction of business at all SACRS meetings. If, however, the attendance at any SACRS meeting, whether in person or by proxy, is less than one-third (1/3) of the voting power, the members may vote only on those matters specified in the meeting agenda described in Article V, Section 4 herein. Meetings may be restricted to regular members only by a majority vote of the quorum present.

Section 6. Voting. Voting at meetings of SACRS shall be the exclusive privilege of the delegates or alternate delegates. Voting delegates or alternate delegates must have proper credentials on file consistent with Article IV, Section 3 herein prior to voting. Each delegate or alternate delegate may cast one (1) vote on each matter submitted to vote of the members. Voting shall be by open roll-call. A simple majority vote of the quorum present shall pass all issues considered by the regular membership unless otherwise specified in the Articles of Incorporation or these Bylaws. A roll-call vote of delegates and alternate delegates shall decide any voice vote in doubt by the regular members present.

Section 7. Proxy. A delegate may issue his or her proxy to an alternate delegate from the same member County Retirement System. All proxies must be in writing, signed and filed with the Credentials Committee prior to voting.

Section 8. Procedures. All meetings of SACRS shall be governed by Robert's Rules of Order unless other rules are specifically provided herein. The rules shall be interpreted at meetings, as necessary, by a parliamentarian appointed by the President prior to the first order of business.

Section 9. Resolutions. Any regular, associate or non-profit member may submit resolutions for consideration by the regular membership at any meetings. Submission of resolutions shall be made in writing and sent by certified mail to the President at least thirty (30) days prior to any meeting of SACRS at which the proposed resolution is to be considered for a vote. The President shall provide a sufficient number of legible copies of the proposed resolutions to allow delegates and alternate delegates to receive one (1) copy each before voting. Additional copies shall be made available to the membership at meetings.

Any resolution not so submitted shall first, in order to be considered by the membership, obtain a consent vote for introduction of two-thirds (2/3) of the voting delegates or alternate delegates present at the session at which such resolution is to be offered from the floor. The member requesting such consent shall have a sufficient number of legible copies of such proposed resolution available, so that the delegates and alternate delegates present may receive one (1) copy each thereof before any vote is taken. The foregoing shall not bar the introduction of resolutions formulated by and originating with the President, or the Board, or at the request of a majority of the members of the Board, or by any standing committee.

Section 10. Travel Expenses. The travel expenses incurred by officers and committee members may be reimbursed according to the current SACRS travel policy.

ARTICLE VI – OFFICERS

Section 1. Officers. The officers of SACRS, upon being elected, shall comprise the Board. The officers of SACRS shall be the President, the Vice-President, the Secretary, the Treasurer, and the immediate Past President.

Section 2. Election, Qualification and Term of Office. The officers of SACRS shall be regular members of SACRS. The officers shall be elected by a majority vote of the quorum of delegates and alternate delegates present at the first meeting in each calendar year and shall hold office for one (1) year and until a successor is elected.

Section 3. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of SACRS. 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 provisions of this Section 3 shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board relating to the employment of any officer of SACRS

Section 4. Officer Elections. Any regular member may submit nominations for the election of officers to the Nominating Committee, provided the Nominating Committee receives those nominations prior to February 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election. Prior to March 1 and subsequent to verification of interest, the Nominating Committee shall report its recommended ballot to each regular member County Retirement System.

3.3-11 SACRS BYLAWS – Article 6 Continued

The board of any regular member County Retirement System may submit write-in candidates to be included in the Nominating Committee's final ballot, provided the Nominating Committee receives those write-in candidates prior to March 25.

The Nominating Committee will report a final ballot to each regular member County Retirement System prior to April 1

The administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's recommended ballot and final ballot to each trustee and placing the election of SACRS officers on his or her board agenda. The administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Officer elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform with Article V, Section 6 and 7 of these Bylaws.

Newly elected officers shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

Section 5. President. The President shall be the Chief Executive Officer of SACRS and shall preside over all membership meetings and Board meetings. The President shall appoint committee members and serve as an ex-officio member of all committees with the exception of the Nominating Committee. The President shall be responsible for the general administration of SACRS in the absence of the membership.

Section 6. Vice-President. The Vice-President shall, in the absence or inability of the President, perform the duties of the President.

Section 7. Secretary The Secretary shall keep, prepare and publish prior to the next immediate regular meeting an accurate record of the proceedings of all SACRS meetings defined under Article V herein. In addition, the Secretary shall prepare and maintain a current list of members in good standing.

Section 8. Treasurer The Treasurer shall be the Chief Financial Officer of SACRS. The Treasurer shall act as custodian of all funds and financial records of SACRS; collect, deposit and disperse funds consistent with SACRS direction; prepare and present a written detailed financial report at each meeting of SACRS.

Section 9. Immediate Past President The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board...

ARTICLE VII - BOARD ADVISORS

Section 1. Chair of Affiliate Committee. The Chair of the Affiliate Membership Committee shall serve as a non-voting advisor and/or consultant to the Board for educational (not legislative) purposes.

Section 2. Vice Chair of Affiliate Committee. The Vice Chair of the Affiliate Membership Committee shall, in the absence or inability of the Chair of the Affiliate Committee, perform the duties of the Chair.

Section 3. Members of the Board. Neither the Chair nor the Vice Chair of the Affiliate Membership Committee is a member of the Board.

ARTICLE VIII - BOARD OF DIRECTORS

Section 1. General Powers. Subject to limitations of the Articles of Incorporation and these Bylaws, the activities and affairs of SACRS shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of SACRS to any person, persons, management company, or committees however composed, provided that the activities and affairs of SACRS shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2. Special Powers. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

- To select and remove all the agents and employees of SACRS, prescribe powers and duties for them as may not be inconsistent with law, the Articles of Incorporation or these Bylaws, fix their compensation, and require from them security for faithful service.
- To conduct, manage, and control the affairs and activities of SACRS and to make such rules and regulations that are not inconsistent with the law, the Articles of Incorporation, or these Bylaws, as they may deem best, including, but not limited to, executing all motions, resolutions, association positions and/or direction passed on by the membership at any meeting.
- To borrow money and incur indebtedness for the purposes of SACRS, and to cause to be executed and delivered, in SACRS' name, promissory notes, bond, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and securities.
- To change the principal office or the principal business office of SACRS in Sacramento County, California, from one location to another.
- To adopt, make, and use a corporate seal and to alter the form of the seal from time to time, as determined by the Board.
- To accept on behalf of SACRS any contribution, gift, bequest, or devise for the social welfare purposes of SACRS.
- To report to the regular membership, in writing, as soon as possible, all actions taken by the Board under this Article VIII.

Section 3. Term. The Directors, as the officers of SACRS, shall hold office for one (1) year and until a successor Director has been designated and qualified.

Section 4. Vacancies. Vacancies on the Board shall exist in the event of:
the death, resignation or removal of any Director;
the declaration by resolution of the Board of a vacancy in the office of a Director who has been (i) declared of unsound mind by a final order of a court; (ii) convicted of a felony; (iii) found by a final order of judgment of any court to have breached any duty arising under Article 3 of the California Nonprofit Public Benefit Corporations Law; or (iv) the Director has been absent without good cause, as determined by the remaining Directors, from regular Board meetings for either two (2) consecutive meetings or four (4) meetings in any one twelve (12) month period; and
the vote of a majority of the delegates or alternate delegates to remove the Director(s).

Except for a vacancy created by the removal of a Director by the delegates and alternate delegates, when vacancies occur on the Board such vacancies may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to these Bylaws, or a sole remaining Director. The delegates and alternate delegates may fill any vacancy not filled by the Directors.

A person elected to fill a vacancy as provided by this Section shall hold office for the remaining term of the vacating Director, or until his or her death, resignation or removal from office.

Section 5. Resignation of Directors. Except as provided below, any Director may resign effective upon giving written notice to the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be appointed by the Board before such time, to take office when the resignation becomes effective and for the remaining term of the vacating Director. Except on notice to the California Attorney General, no Director may resign if the corporation would be left without a duly elected Director.

Section 6. Conflicts of Interest.

All Directors of the Board shall comply with the disclosure requirements of California Corporation Code Section 5234 concerning transactions between SACRS and any other entity in which a Director is an officer or director; and

SACRS will make no loan of money or other property, or guarantee the obligation, of any Director or officer, except as authorized by California Corporation Code Section 5236.

Section 7. Compensation/Travel Policy. Directors shall serve without compensation except that they shall be allowed reasonable advancement or reimbursement for food and beverage, transportation, and lodging expenses incurred in the performance of their regular duties as specified in these Bylaws.

Section 8. Non-Liability of Directors. The Directors shall not be personally liable for the debts, liabilities, or other obligations of SACRS.

Section 9. Insurance for Corporate Agents. The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of SACRS (including a Director, officer, employee or other agent) 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 SACRS would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE IX - MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Place of Meeting. All meetings of the Board shall be held at SACRS' office or at such other place as may be designated for that purpose in the notice of the meeting or, if not stated in the notice or there is no notice, at such place as may be designated in the Bylaws or by resolution of the Board.

Section 2. Annual Meeting. Immediately following the election of the officers at the first meeting of the calendar year, the Board shall hold a general meeting for the purposes of conducting any business or transactions as shall come before the meeting. Other general meetings of the Board may be held without notice at such time and place as the Board may fix from time to time.

Section 3. Special Meetings. Special meetings of the Board for any purpose or purposes may be called by the President, the Secretary, or any two (2) or more Directors.

Section 4. Notice of Meetings. Written notice of the time and place of any special meeting shall be delivered personally to each Director or sent to each Director by mail or other form of written communication, charges prepaid, addressed to the Director either at his or her address as it is shown on the records or, if not readily ascertainable, to the place in which the Director meets as a regular member of a County Retirement System. Such notice, if mailed, shall be sent at least four (4) days prior to the time of holding the meeting. Said notice shall specify the purpose of the special meeting of the Board. In addition, telephone (including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director), Electronic Transmission, or other similar means of communication may be used to provide such notice. If given personally, or by telephone, Electronic Transmission, or other similar means of communication, such notice shall be provided at least forty-eight (48) hours prior to the meeting.

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 next meeting are fixed at the meeting adjourned and if such adjourned meeting is held no 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.

Section 5. Meeting by Telephone or Other Telecommunications Equipment. Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section 5 shall constitute presence in person at the meeting if both the following apply:

- Each member participating in the meeting can communicate concurrently with all other members; and

- Each member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Board.

Section 6. Validation of Meeting. The transactions of the Board at any meeting, however called or noticed, or wherever held, shall be as valid as though the meeting had been duly held after proper call and notice if a quorum is present and if, either before or after the meeting, each voting Director not present signs a written waiver of notice or consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 7. Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. Quorum. At all meetings of the Board, a majority of the Directors present in person or pursuant to Section 5 of this Article IX shall be necessary and sufficient to constitute a quorum, except to adjourn as provided in Section 11 of this Article IX. A meeting, at which a quorum is initially present, may continue to transact business notwithstanding the withdrawal of Directors as long as the action is approved by at least a majority of the required quorum for the meeting.

Section 9. 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, unless the Articles of Incorporation or Bylaws of SACRS, 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 5238(e)), require a greater percentage or different voting rules for approval of a matter by the Board.

Section 10. Prohibition Against Voting by Proxy. Directors may not vote by proxy.

Section 11. Adjournment A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned, except that if the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

ARTICLE X - POWERS OF COMMITTEES

Section 1. Powers of Committees. The committees described in these Bylaws shall have the authority described herein, and any additional authority of the Board to the extent provided in a Board resolution. Notwithstanding the preceding sentence, no committee may do the following:

- Take any final action on any matter that, under the California Nonprofit Corporation Law, also requires approval of the members or approval of a majority of all members;
- Fill vacancies on the Board or any committee of the Board;
- Fix compensation of the Directors for serving on the Board or on any committee of the Board;
- Amend or repeal Bylaws or adopt new Bylaws;
- Amend or repeal any resolution of the Board that by its express terms cannot be amended or repealed by a committee;
- Create any other committees of the Board or appoint the members of committees of the Board; and
- Expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected

Section 2. Ratification of Committee Activities. All activities and actions of the committees shall be reported to and ratified by the full Board at a duly scheduled Board meeting

ARTICLE XI - STANDING COMMITTEES

Section 1. Legislative Committee. The Legislative Committee shall be comprised of not less than three (3) members but not more than thirteen (13) members. The Legislative Committee Chair shall be appointed by the President, with Board approval. The Legislative Committee membership shall be appointed annually by the President, with Board approval, from names submitted from the Legislative Committee Chair, and shall be seated by September 1st. The President may remove Legislative Committee members who miss twenty-five percent (25%) or more of the Legislative Committee meetings in any given year. The Legislative Committee shall be responsible for the legislative activities of SACRS.

Section 2. Nominating Committee. The Nominating Committee shall consist of the following five (5) members: (i) the immediate Past President of SACRS; (ii) one (1) member of the Program Committee appointed by the Program Committee Chair; (iii) one (1) member of the Legislative Committee appointed by the Legislative Committee Chair; (iv) one (1) member of the Bylaws Committee appointed by the Bylaws Committee Chair; and (v) one (1) member of the Education Committee appointed by the Education Committee Chair.

The Program Committee, Legislative Committee, Bylaws Committee and Education Committee Chairs shall appoint members to the Nominating Committee, as previously specified, no later than ninety (90) days prior to the second business meeting of SACRS each calendar year. The immediate Past President shall serve as the Nominating Committee Chair. The Nominating Committee shall be responsible for ascertaining the availability and interest of regular members to serve as Directors and officers of SACRS.

Section 3. Bylaws Committee. The Bylaws Committee shall be comprised of not less than three (3) members, with at least one (1) regular trustee member, at least one (1) regular administrative member, and one (1) of whom may be an associate member. The president shall appoint the Bylaws Committee Chair, with Board approval. The Bylaws Committee shall be comprised of appointees selected from names submitted by the Bylaws Committee Chair, with Board approval, within forty-five (45) days after the President takes office. The Bylaws Committee shall be responsible for the maintenance of the Articles of Incorporation and the Bylaws.

Section 4. Program Committee The Program Committee shall be comprised of not less than four (4) members but not more than eighteen (18) members from names submitted by the Program Committee Chair, with Board approval, and shall include the Education Committee Chair and Vice Chair and the Affiliate Committee Chair and Vice Chair. The President shall fill mid-term vacancies and shall appoint the Program Committee Chair, with the approval of the Board, within forty-five (45) days of taking office. The Program Committee Chair shall serve a one (1) year term that expires on the last day of the Spring regular meeting. The President may remove Program Committee members missing twenty-five percent (25%) or more of the Program Committee meetings in any given year. The Program Committee shall be responsible for the program of the two (2) annual SACRS conferences.

Section 5. Audit Committee The Audit Committee shall be comprised of not less than two (2) regular members selected from names submitted by the Audit Committee Chair, with Board approval, within forty-five (45) days of the President taking office. The President shall appoint the Audit Committee Chair, with Board approval. Audit Committee members shall have auditing experience; shall not receive, directly or indirectly, any consulting, advisory, or other compensatory fees from SACRS; and shall not be from the same County as SACRS' Treasurer. The Audit Committee shall be responsible for SACRS' audits, and its duties shall include, but shall not be limited to, the following:

- Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;
- Negotiating the auditor's compensation;
- Conferring with the auditor regarding SACRS' financial affairs; and
- Reviewing and accepting or rejecting the audit.

If SACRS establishes a finance committee, a majority of the members of the Audit Committee may not concurrently serve as members of the finance committee, and the Chair of the Audit Committee may not serve on the finance committee.

Section 6. Credentials Committee The Credentials Committee shall be comprised of SACRS' Secretary as the Chair and SACRS' Treasurer who shall verify designated voting delegates at all meetings where a delegate vote is conducted.

Section 7. Affiliate Membership Committee. The Affiliate Membership Committee shall be comprised of nine (9) affiliate member delegates, selected from names submitted by the Affiliate Committee Chair, with Board approval, to serve three (3)-year terms on a staggered basis. If a committee member becomes ineligible to serve or resigns, a successor may be appointed by the Board for the remaining term of the outgoing member. The Committee shall provide counsel and advice to the Board regarding educational (not legislative) activities, and shall represent the Affiliate membership.

Section 8. Education Committee The Education Committee shall be comprised of at least three (3) but not more than nine (9) members appointed by the Education Committee Chair, with Board approval. Such appointments shall be made within forty-five (45) days of the President taking office. The President shall appoint the Education Committee Chair, with Board approval. The President may remove Education Committee members who miss twenty-five percent (25%) or more of the Education Committee meetings in any given year. The Education Committee shall be responsible for the educational activities of SACRS.

Section 9. Resolutions Committee. The President may appoint a Resolutions Committee, comprised of regular members, to analyze proposed resolutions and make recommendations for adoption, rejection or amendment prior to consideration by the delegates and alternate delegates.

Section 10. 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, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings and special meetings of committees may be fixed by the Board or the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board 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 provisions of these Bylaws. Any expenditure of SACRS funds by a committee shall require prior approval of the Board.

ARTICLE XII - CORPORATE RECORDS AND SEAL

Section 1. Maintenance of Corporate Records. SACRS shall keep at its principal office in the State of California:

Minutes of all meetings of the Board and the committees, 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;

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; and

A copy of SACRS' Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection at all reasonable times during office hours.

Section 2. Corporate Seal. The Board may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of SACRS. Failure to affix the seal to SACRS instruments, however, shall not affect the validity of any such instrument.

Section 3. Inspection Rights. Every Director and member shall have the right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of SACRS.

Section 4. 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.

ARTICLE XIII - FISCAL YEAR AND ANNUAL AUDIT

Section 1. Fiscal Year. The fiscal year of SACRS shall be July 1 through June 30.

Section 2. Annual Audit. There shall be an annual audit of SACRS.

ARTICLE XIV – INDEMNIFICATION

Section 1. Indemnification. SACRS may, to the maximum extent permitted under the Nonprofit Public Benefit Corporations Law and general California Corporation Law, as now or hereafter in effect, indemnify each person who is or was a Director or officer of SACRS against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising against any one or more of them, based on their conduct as Directors or officers, or by reason of the fact that any one or more of them is or was a Director or officer of SACRS. “Proceeding” means any threatened, pending, or completed action or proceeding whether civil, criminal, administrative or investigative; and “expenses” includes without limitation attorney’s fees and any expenses of establishing a right to receive indemnification from SACRS.

ARTICLE XV - WINDING UP AND DISSOLUTION

Section 1. Irrevocable Dedication The property of SACRS is irrevocably dedicated to social welfare purposes. Upon the winding up and dissolution of SACRS, its assets remaining after payment or adequate provision for payments of all debts and obligations of SACRS shall be distributed in accordance with the plan of liquidation to an organization which is organized and operated exclusively for social welfare purposes and exempt from federal income tax under Section 501(c)(4) of the Code, as the Board may select. In any event, no assets shall be distributed to any organization if any part of the net earnings of such organization inures to the benefit of any private person or individual, or if the organization carries on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Code or the corresponding provisions of any future United States Internal Revenue Law.

ARTICLE XVI – AMENDMENTS

Section 1. Amendment of Articles of Incorporation and Bylaws. Amendments to the Articles of Incorporation and Bylaws may be proposed by the Board or any regular member of SACRS or by any standing committee. Proposed amendments shall be submitted in writing by certified mail to the President at least sixty (60) days before any meeting of SACRS. The President shall submit the proposed amendments to the membership at least thirty (30) days before any meeting of SACRS. A two-thirds (2/3) vote of a quorum present at any meeting of SACRS is required to adopt an amendment.

Section 2. Certain Amendments. Notwithstanding Section 1 of this Article XVI, SACRS shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation relating to the name and address of its initial agent, except to correct an error in such statement or to delete such statement after SACRS has filed a "Statement of Information" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE XVII - CONSTRUCTION AND DEFINITIONS

Section 1. Construction and Definitions. Except as provided in these Bylaws and/or unless the context requires otherwise, the general provisions, rules of construction, and definitions of the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both SACRS and the natural person.

Section 2. Electronic Transmission. Notice given by SACRS by Electronic Transmission shall be valid only if:

- delivered by (i) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with SACRS; (ii) posting on an electronic message board or network that SACRS has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (iii) other means of electronic communications;
- to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and
- that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notwithstanding the foregoing, an Electronic Transmission by SACRS to a recipient is not authorized unless, in addition to satisfying the requirements of this Section 2, the transmission satisfies the requirements applicable to consumer consent to electronic record as set forth in the Electronic Signatures in Global and National Commerce Act (15 United States Code Section 7001(c)(1)). Notice shall not be given by Electronic Transmission by SACRS after either of the following: (i) SACRS is unable to deliver two (2) consecutive notices to the recipient by that means, or (ii) the inability so to deliver the notices to the recipient becomes known to the Secretary or any other person responsible for the giving of the notice.