

REVISED BYLAWS
of the
DESERT HOT SPRINGS HEALTH AND WELLNESS FOUNDATION

ARTICLE I

PRINCIPAL OFFICE

SECTION 1. ~~Principal Office.~~ The principal office of the Corporation for the transaction of business shall be 65-950 Pierson Boulevard, Desert Hot Springs, California 92240. The Board of Directors may, however, fix and change from time to time the principal office from one location to another in the City of Desert Hot Springs by motion at an open meeting. Any such change of address will be noted by the Secretary in these Bylaws. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

ARTICLE II

DIRECTORS

SECTION 1. ~~No Members.~~ The Corporation shall have no "members" as that term is defined by California Corporations Code Section 5056 and shall be governed solely by its Board of Directors in accordance with these Bylaws. Pursuant to California Corporations Code Section 5310, any action which would otherwise require approval by a majority of all such members, shall instead require the approval by a majority of the Board of Directors.

SECTION 2. ~~Powers.~~ Subject to the limitations of the Articles of Incorporation of the Corporation, the terms of these Bylaws, and the laws of the State of California, the powers of the Corporation shall be vested in and exercised by, and its property controlled and its affairs conducted by the Board of Directors.

SECTION 3, ~~Number,~~ The Corporation shall have five (5) Directors. Directors are collectively to be known as the Board of Directors.

SECTION 4. ~~Selection, Tenure of Office and Vacancies.~~ Three (3) of the Directors shall be selected by the City Council of the City of Desert Hot Springs (the "City Council") and two (2) of the Directors shall be selected by the Board of Directors of the Desert Healthcare District (the "District Board"). Directors shall hold office for terms of commencing upon selection and ending upon resignation or removal pursuant to Section 6. Vacancies shall be filled by the body that appointed the vacating Director.

SECTION 5. Compensation. Directors shall serve without compensation, but each Director may be reimbursed his or her necessary and actual expenses, including travel incident to his or her services as Director, subject to any rules that may be imposed upon the adoption of a reimbursement policy by the Board of Directors. Any Director may decline such reimbursement.

SECTION 6. Resignation and Removal of Directors. Any director may resign by giving notice to the Secretary of the corporation, such resignation becoming effective upon receipt of the notice. Directors selected by the City Council may be removed at the discretion of the City Council and Directors selected by the District Board may be removed at the discretion of the District Board..

SECTION 7. Nonliability for Debts. The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation, and no Director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

SECTION 8. Indemnity by Corporation for Litigation Expenses of Officers and Directors. To the fullest extent permitted by law, the Corporation shall indemnify any present or former director, officer, employee or other "agent" of the corporation, as that term is defined in California Corporations Code Section 5238, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in California Corporations Code Section 5238(a). Expenses incurred in defending any proceeding may be advanced by the Corporation as authorized in Section 5238 prior to the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall be determined ultimately that the Director or officer is entitled to be indemnified.

SECTION 9. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such. The Corporation shall obtain liability insurance or the equivalent of insurance which covers the Directors and executive officers issued either in the form of a general liability policy or a directors and officers liability policy consistent with the requirements of California Corporations Code Section 5239.

ARTICLE III

M E E T I N G S

SECTION 1. Meetings of the Board. Notwithstanding any other provision in these Bylaws, all meetings of the Board of Directors shall be held in compliance with the requirements of the Ralph M. Brown Act, California Government Code Section 54950 et seq. Meetings of the Board of Directors shall be held at the principal office of the Corporation, unless another place is stated in the notice of the meeting.

SECTION 2. ~~Regular Meetings. Regular meetings of the Board of Directors shall be held at 7:00 p.m. on the first Monday of each month, or at such other time as the Board may fix by resolution from time to time. In the event that the Chairperson of the Board shall determine that there is no business required to be transacted by the Board of Directors at any such regular meeting, such regular meeting shall not be required to be held.~~ The Board of Directors shall hold meetings on an as-needed basis at a time and place to be determined, as needed and as appropriate.

SECTION 3. Special Meetings. Special meetings of the Board of Directors shall be called, noticed and held in accordance with Section 54956 of the Ralph M. Brown Act.

SECTION 4. Agendas and Notice. Agendas and notice of meetings will comply with the requirements of the Ralph M. Brown Act.

SECTION 5. Quorum, A quorum for the transaction of all business except adjournment shall consist of not less than three Directors present. Decisions of the Board of Directors must receive at least a majority of those Directors in attendance unless a greater number is expressly required by statute, by the Articles of Incorporation of the Corporation, or by these Bylaws. Every act or decision done or made by such a majority vote at a meeting duly held at which a quorum is present, shall be the act of the Board of Directors.

ARTICLE IV

O F F I C E R S

SECTION 1. Officers. The officers of the Corporation shall be a Chairperson, an Executive Director, a Chief Financial Officer who shall hold the title of Treasurer, a Secretary, and such other officers as the Board of Directors may appoint. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Chairperson.

SECTION 2. Appointment of Officers. The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article IV, shall be appointed by the Board of Directors to a one year term. Notwithstanding the above, the appointment of one or more officers may be continued to a regular meeting or special meeting held within six weeks of the one year appointment anniversary, in which case the term of the incumbent officer shall be continued until the new appointment is made.

SECTION 3. Subordinate Officers. The Board of Directors may elect or authorize the appointment of such other officers than those hereinabove mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws, or as the Board of Directors from time to time may authorize or determine.

SECTION 4. Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the Directors then in office at any regular or special meeting of the Board of Directors, or by any officers upon whom such power of removal may be conferred by the Board of Directors. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board of Directors may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for such office has been appointed pursuant to these Bylaws.

SECTION 5. Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws. The Chairperson is authorized to sign all contracts, notes, conveyances, and other papers, documents and instruments in writing in the name of the Corporation.

SECTION 6. Executive Director. The Executive Director shall be responsible for the day-to-day administration of the Corporation, including the right to employ and discharge all officers, employees and agents of the Corporation and shall have the authorization to sign all contracts, notes, conveyances, and other papers, documents and instruments in writing in the name of the Corporation, except where such matters are prescribed in the Bylaws or by the Board of Directors and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

SECTION 7. Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such

depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as shall be ordered by the Board of Directors, shall render to the Executive Director and the Directors whenever they shall request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation, shall take proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

SECTION 8. ~~Secretary~~. The Secretary shall keep or cause to be kept a book of minutes at the principal office of the Corporation or at such other place as the Board of Directors may order, of all open meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of Directors present at Directors' meetings and the proceedings thereof, The Secretary shall give or cause to be given notice of all meetings of the Board of Directors of the Corporation, shall keep the corporate records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE V

PURPOSES AND OPERATION OF THE CORPORATION

SECTION 1. ~~Purposes~~. The business of the Corporation is to be operated and conducted in the promotion of its objects and purposes as set forth in Article II of its Articles of Incorporation.

SECTION 2. ~~Dedication of Assets~~. The income and assets of the Corporation are irrevocably dedicated to charitable purposes and no part of the net income or assets of the organization shall ever inure to the benefit of any Director or officer thereof or to the benefit of any private person.

SECTION 3. ~~Dissolution~~. The Corporation may be dissolved by vote of the Directors, with the consent of the City Council and the District Board or by the action of the Board of Directors required in accordance with the provisions of California law. Upon the dissolution of the Corporation, and after payment or provision for payment, of all debts and liabilities, the assets of the Corporation shall be distributed to the City or, if for any reason the City is unable or unwilling to accept the assets of the Corporation, to the District. If for any reason neither the City nor the District is able or willing to accept the assets of the Corporation, such assets will be distributed to the United States government; to a state or local government for public purposes; or to a nonprofit fund, foundation, or corporation which is organized and operated for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986.

SECTION 4. ~~M erger~~. The Corporation may m erge with other corporations organized solely for nonprofit purposes, qualified and exempt from Federal taxation pursuant to Section 501 (c) (3) of the Internal Revenue Code of 1986 and from State taxation, upon compliance with the provisions of California law relating to m erger and consolidation.

SECTION 5. ~~Restrictions~~. No substantial part of the activities of the Corporation shall consist of lobbying, carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE VI

GENERAL PROVISIONS

SECTION 1. ~~Payment of Money; Signatures~~. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and any and all securities owned by or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors.

SECTION 2. ~~Execution of Contracts~~. The Board of Directors, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances, and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

SECTION 3. ~~Fiscal Year~~. The fiscal year of the Corporation shall commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year.

SECTION 4. ~~Annual Audit~~. The affairs and financial condition of the Corporation shall be audited annually and a written report of such audit and appropriate financial statements shall be submitted to the Board of Directors following the completion of such audit. Additional audits may be authorized as considered necessary or desirable by the Board of Directors.

SECTION 5. ~~Compliance with Public Records Act~~. The Corporation shall comply with and be subject to the provisions of the California Public Records Act, California Government Code Section 6250 et. seq. The Corporation shall be deemed a "local agency" as that term is used in the California Public Records Act, and as such, shall be subject to all obligations and exemptions under the California Public Records Act.

SECTION 6. Compliance with Nonprofit Integrity Act. The Corporation shall comply with applicable provisions of the Nonprofit Integrity Act.

ARTICLE VII

EXEMPT ACTIVITIES

Notwithstanding any other provision of these Bylaws, no Director, officer, employee or agent of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code or by an organization to which contributions are deductible under Section 170(c)(2) of the Internal Revenue Code.

ARTICLE VIII

AMENDMENT TO BYLAWS

These Bylaws may be amended by a majority vote of the Board of Directors with the approval of the City Council and the District Board.

ADOPTED by the Incorporator of the Desert Hot Springs Health and Wellness Foundation on _____.

By _____
Jan Pye, Secretary

SECRETARY SCERTIFICATE

I, the undersigned, do hereby certify that:

1. I am the duly designated and acting Secretary of the Desert Hot Springs Health and Wellness Foundation, Inc., a California nonprofit public benefit corporation (the "Corporation"); and

2. The foregoing Revised Bylaws comprising seven (7) pages, constitute a full, true and correct copy of the Bylaws of said Corporation approved by the Board of Directors of the Corporation at a meeting duly held on _____.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, ____.

By: _____

Jan Pye, Secretary