

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

204



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
March 31, 2016

**SUBJECT:** Adopt Resolution No. 2016-059 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Economic Development Agency Workforce Development Division Established Under Nonprofit Public Benefit Corporation Law; Approve the Articles of Incorporation and Bylaws; Approve the Agreement for Use of Staff and Resources; All Districts, [\$515] Economic Development, 100%; Project is CEQA Exempt

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3);
2. Adopt Resolution No. 2016-059 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Economic Development Agency Workforce Development Division (EDA Workforce) Established Under Nonprofit Public Benefit Corporation Law;

(Continued)

Robert Field  
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 515	\$	\$ 515	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
<b>SOURCE OF FUNDS:</b> Economic Development 100%				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> 2015/16	

**C.E.O. RECOMMENDATION:**

APPROVE

BY:   
Rohini Dasika

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

FISCAL PROCEDURES APPROVED BY: PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 DATE: 3/30/16  
 Susana Garcia-Bocanegra

FORM APPROVED COUNTY COUNSEL  
 DATE: 3/24/16  
 GREGORY P. PRIAMOS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 3.5 of 11/15/05 | District: ALL | Agenda Number:

3-7

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11** Adopt Resolution No. 2016-059 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Economic Development Agency Workforce Development Division Established Under Nonprofit Public Benefit Corporation Law; Approve the Articles of Incorporation and Bylaws; Approve the Agreement for Use of Staff and Resources; All Districts, [\$515] Economic Development, 100%; Project is CEQA Exempt

**DATE:** March 31, 2016

**PAGE:** 2 of 4

**RECOMMENDED MOTION:** (Continued)

3. Approve the form of the attached Articles of Incorporation and Bylaws for a new nonprofit affiliate of the Riverside County Economic Development Agency Workforce Development Division (New Corporation);
4. Approve the attached form of Agreement for Use of Staff and Shared Resources (Agreement), which will memorialize the agreement between the New Corporation and EDA Workforce regarding the New Corporation's use of EDA Workforce staff and resources;
5. Authorize the Assistant County Executive Officer/EDA, or designee, to sign the Agreement; and
6. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement and administer the Agreement, including, but not limited to, signing subsequent and necessary documents, subject to approval by County Counsel.

**BACKGROUND:**

**Summary**

On November 15, 2005, the Riverside County Board of Supervisors authorized the formation of the Riverside County WDB, Inc. as an affiliate of the Riverside County Workforce Development Board for the purposes of coordinating activities for the County's workforce development system and to access certain funding opportunities available to non-profit corporations. The corporation was structured in accordance with requirements of the Workforce Investment Act of 1998 (WIA), did not obtain tax exempt status, and has been dormant since 2006. The WIA was replaced by the Workforce Innovation and Opportunity Act (WIOA) that was signed into law by President Obama on July 22, 2014 and went into effect on July 1, 2015. The WIOA conceptually encourages innovative approaches to fundraising and requires competitive procurement of an entity, such as a non-profit corporation, to operate the one stop shop (OSS) on behalf of the Riverside County workforce development system (System)

At this time, the Riverside County Economic Development Agency Workforce Development Division (EDA Workforce) has identified two key needs that may be addressed through an affiliated nonprofit corporation. First, such an affiliated entity could enable EDA Workforce to satisfy WIOA's call for innovative approaches to generate funds for the System's administration and operation. This would be accomplished by accessing private as well as local, state and federal funding sources that are available to nonprofit corporations. Second, EDA Workforce desires to maintain input in the operations of the System's OSS. An affiliated nonprofit structured with consideration to WIOA could potentially compete to operate the OSS.

The existing corporation, the Riverside County WDB, Inc., does not meet the needs of EDA Workforce at this time, does not have non-profit status and is not structured with specific consideration to WIOA. As such, a separate Form 11 proposing the dissolution of the existing corporation has been presented for consideration to the Board of Supervisors. Staff proposes the formation of a new entity affiliated with EDA Workforce that would function as a non-profit corporation (New Corporation). The general purpose of the New Corporation is to support and promote the System as a means of promoting the common good and general welfare of the people of the State of California. Estimated costs associated with the formation of a New Corporation are itemized in the section below titled Additional Fiscal Information.

(Continued)

# **SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11** Adopt Resolution No. 2016-059 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Economic Development Agency Workforce Development Division Established Under Nonprofit Public Benefit Corporation Law; Approve the Articles of Incorporation and Bylaws; Approve the Agreement for Use of Staff and Resources; All Districts, [\$515] Economic Development, 100%; Project is CEQA Exempt

**DATE:** March 31, 2016

**PAGE:** 3 of 4

**BACKGROUND:** (Continued)

## **Summary**

Should the Board of Supervisors authorize formation of a New Corporation, its activation is subject to a meeting of its Board of Directors. Staff recommends that the Board of Supervisors authorize the Assistant County Executive Officer/EDA, or designee, to take any necessary actions to facilitate the initial meeting of the New Corporation's Board of Directors. At this time, a name for the New Corporation has not been selected. The process for obtaining a corporate name entails providing three name choices, in order of preference, to the California Secretary of State (SOS). If the SOS determines that any of the preferred names are available, the corporation must file separately to obtain that name. If none of the three names is available, an additional request must be submitted with three new, proposed names. In order to expedite the process of reserving a corporate name, staff recommends that the Board of Supervisors authorize the New Corporation's Board of Directors to approve of the corporate name. Resolution Number 2016-059 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Economic Development Agency Workforce Development Division Established Under Nonprofit Public Benefit Corporation Law, attached hereto as Exhibit A, memorializes the foregoing actions. Staff recommends that the Board of Supervisors approve Resolution Number 2016-059, which has been approved as to form by County Counsel.

## **Articles of Incorporation and Bylaws**

Should the Board of Supervisors authorize formation and activation of the New Corporation, the corporation's governing documents must be established. Staff recommends that the Board of Supervisors approve of the proposed Articles of Incorporation and Bylaws for the New Corporation, attached hereto as Attachments B and C, respectively. The proposed Articles of Incorporation and Bylaws have been approved as to form by County Counsel.

## **Agreement for Use of Staff and Resources**

Should the Board of Supervisors authorize formation and activation of the New Corporation, staff and other resources, such as office space, equipment, supplies and other related resources, are necessary for commencement of corporate operations. EDA Workforce has staff and resources available to be utilized for such purposes. The proposed template Agreement for Use of Staff and Resources between the New Corporation and EDA Workforce (Agreement), attached hereto as Attachment E, would allow the New Corporation access to personnel to run the day to day operations of the corporation along with a business location and resources to support such efforts. The term of the proposed Agreement commences upon the document's execution and is ongoing until terminated by either party upon 30 days written notice.

Staff recommends that the Board of Supervisors approve the proposed template Agreement for Use of Staff and Shared Resources (Agreement), attached hereto as Attachment D and approved as to form by County Counsel. Because the New Corporation's name has not yet been established and approved by its Board of Directors, the proposed Agreement is a template that will be available for execution upon approval of the New Corporation's name. To expedite the Agreement and reduce costs, staff recommends that the Board of Supervisors authorize the Assistant County Executive Officer/EDA, or designee, to sign the Agreement and to take all necessary steps to implement and administer the Agreement, including, but not limited to, signing subsequent and necessary documents, subject to approval by County Counsel.

(Continued)

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11** Adopt Resolution No. 2016-059 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Economic Development Agency Workforce Development Division Established Under Nonprofit Public Benefit Corporation Law; Approve the Articles of Incorporation and Bylaws; Approve the Agreement for Use of Staff and Resources; All Districts, [\$515] Economic Development, 100%; Project is CEQA Exempt

**DATE:** March 31, 2016

**PAGE:** 4 of 4

**BACKGROUND:** (Continued)

**Summary**

**CEQA**

Pursuant to the California Environmental Quality Act (CEQA), the administrative steps necessary to form and activate a non-profit corporation were determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15061(b) (3), General Rule or "Common Sense" exemption. It can be seen with certainty that there is no possibility that the formation and activation of a non-profit corporation may have a significant effect on the environment, as the activities involved will have only financial and administrative effects and will not lead to any direct or reasonably indirect physical environmental impacts. A Notice of Exemption will be filed by WDC staff with the County Clerk within 5 days of the approval of this Form 11.

**Impact on Citizens and Businesses**

Approving this item will have a positive impact on businesses in and residents of Riverside County by forming and activating a non-profit corporation designed to support and promote the County's workforce development system.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Estimated Costs to Form the New Corporation:

<b>Item</b>	<b>Payee</b>	<b>Amount</b>
Request corporate name from CA Secretary of State	CA Secretary of State	\$10
Initial registration of CA Attorney General's Registry of Charitable Trusts	CA Attorney General	\$25
Application fee- state Tax Exempt Status	CA Franchise Tax Board	\$25
Filing fee- Statement of Information for officers and Agent for service of process	CA Secretary of State	\$20
Filing fee- initial filing of Articles of Incorporation	CA Secretary of State	\$35
Application fee- federal Tax Exempt Status	Internal Revenue Service	\$400
<b>Total:</b>		<b>\$515</b>

**ATTACHMENTS**

- A. Resolution 2016-059 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Economic Development Agency Workforce Development Division Established Under Nonprofit Public Benefit Corporation Law
- B. Articles of Incorporation
- C. Bylaws
- D. Agreement for Use of Staff and Resources

2  
3 **RESOLUTION NUMBER 2016-059**

4 **AUTHORIZING FORMATION AND ACTIVATION OF A NEW NONPROFIT AFFILIATE**  
5 **OF THE RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY**  
6 **WORKFORCE DEVELOPMENT DIVISION ESTABLISHED UNDER NONPROFIT**  
7 **PUBLIC BENEFIT CORPORATION LAW**

8  
9 **WHEREAS**, the Riverside County Board of Supervisors approved the formation  
10 of the Riverside County WDB, Inc. on November 15, 2005 for the purpose of  
11 functioning as the regional coordinator for the Riverside County workforce  
12 development system ("System");

13 **WHEREAS**, the Riverside County WDB, Inc. was structured in accordance with  
14 requirements of the Workforce Investment Act of 1998 ("WIA") and has been dormant  
15 since 2006;

16 **WHEREAS**, the WIA was replaced by the Workforce Innovation and  
17 Opportunity Act ("WIOA") that was signed into law by President Obama on July 22,  
18 2014 and went into effect on July 1, 2015;

19 **WHEREAS**, the WIOA conceptually encourages innovative approaches to  
20 fundraising and requires competitive procurement of an entity, such as a non-profit  
21 corporation, to operate the System's one stop shop ("OSS");

22 **WHEREAS**, the Riverside County Economic Development Agency Workforce  
23 Development Division ("EDA Workforce") desires to identify innovative approaches to  
24 generate funds for the administration and operation of the System;

25 **WHEREAS**, EDA Workforce desires to maintain input in the operations of the  
26 OSS;

27 **WHEREAS**, a non-profit corporation would meet the foregoing needs of EDA  
28 Workforce at this time;

1           **WHEREAS**, the existing corporation, the Riverside County WDB, Inc., does not  
2 meet the needs of EDA Workforce at this time, does not have non-profit status and is  
3 not structured with specific consideration to WIOA;

4           **WHEREAS**, EDA Workforce desires to form and activate a new, affiliated entity  
5 that would function as a non-profit corporation ("New Corporation"), the purpose of  
6 such New Corporation is to support and promote the System as a means of promoting  
7 the common good and general welfare of the people of the State of California. The  
8 proposed form of Bylaws and Articles of Incorporation are attached hereto as Exhibits  
9 "A" and "B" respectively and incorporated herein by this reference;

10           **WHEREAS**, The New Corporation will be established under the California  
11 Nonprofit Public Benefit Corporation Law (California Corporations Code section 5110  
12 et seq.);

13           **WHEREAS**, activation of the New Corporation requires a meeting of its Board  
14 of Directors and approval of a corporate name; and

15           **WHEREAS**, the Board of Supervisors desires to approve and authorize the  
16 formation and activation of a New Corporation primarily to support and promote the  
17 System as a means of promoting the common good and general welfare of the  
18 people of the State of California, and, in particular, to allow access to innovative  
19 funding sources for the System and potentially compete to operate the OSS.

20           **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
21 **ORDERED** by the Board of Supervisors in regular session assembled on April 12,  
22 2016, as follows:

23           1. That the Board of Supervisors hereby finds and declares that the above  
24 recitals are true and correct.

25           2. That the Board of Supervisors hereby authorizes and approves  
26 formation and activation of a new entity that will function as a non-profit corporation  
27 affiliated with the Riverside County Economic Development Agency Workforce  
28 Development Division ("New Corporation"), which shall be established under the

1 California Nonprofit Public Benefit Corporation Law (California Corporations Code  
2 section 5110 et seq.).

3 3. That the Board of Supervisors hereby authorizes and approves the form  
4 of Bylaws and Articles of Incorporation attached hereto as Exhibits "A" and "B"  
5 respectively and incorporated herein by this reference.


6 4. That the Board of Supervisors authorizes the Assistant County Executive  
7 Officer/EDA, or designee, to take any and all actions necessary and/or required to  
8 create, form and activate the New Corporation, as authorized and approved herein,  
9 subject to review of documentation by County Counsel.

10 5. That the Board of Supervisors authorizes the Assistant County Executive  
11 Officer/EDA, or designee, to take any and all necessary and required actions to  
12 facilitate the initial meeting of the New Corporation's Board of Directors.

13 6. That the Board of Supervisors authorizes the New Corporation's Board  
14 of Directors to approve of the corporation's name. The New Corporation's staff shall  
15 inform the Board of Supervisors of the name once selected.

16 7. This resolution shall take effect immediately after approval by the Board  
17 of Supervisors.

18 //  
19 //  
20 //

FORM APPROVED COUNTY COUNSEL  
BY:  JHAILA R. BROWN  
DATE

27 S:\Department\Housing\WDCs Non-Profit\New NPI\Forms 11\Resolution 2016-059 Authorizing Formation and Activation of a  
Nonprofit Affiliate of the WDC.doc

1     **AGREEMENT BETWEEN CORPORATION NAME AND THE RIVERSIDE COUNTY**  
2     **ECONOMIC DEVELOPMENT AGENCY WORKFORCE DEVELOPMENT DIVISION**  
3             **FOR USE OF STAFF AND RESOURCES**

4     This Agreement for Use of Staff and Resources ("AGREEMENT") is made and entered  
5     into this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between the CORPORATION NAME, a  
6     California non-profit corporation ("CORPORATION"), and the RIVERSIDE COUNTY  
7     ECONOMIC DEVELOPMENT AGENCY WORKFORCE DEVELOPMENT DIVISION, a  
8     public agency, corporate and politic in the State of California ("COUNTY").

9                     RECITALS

10  
11             **WHEREAS**, CORPORATION was created primarily to support and  
12     promote the Riverside County workforce development system as a means of promoting  
13     the common good and general welfare of the people of the State of California;

14             **WHEREAS**, the CORPORATION requires, staff, a principal office  
15     location and the use of other administrative and operational resources (collectively  
16     hereinafter "Resources") in order to conduct its corporate business;

17             **WHEREAS**, the COUNTY can provide such staff and Resources as  
18     required by the CORPORATION; and

19             **WHEREAS**, the CORPORATION and the COUNTY wish to enter into this  
20     AGREEMENT to specify the terms and conditions under which the COUNTY will  
21     provide staff and Resources to the CORPORATION.

22             **NOW, THEREFORE**, based on the mutual promises contained herein, the  
23     CORPORATION and the COUNTY mutually agree as follows:

- 24             1. Term of AGREEMENT. This AGREEMENT shall become effective upon the  
25             Effective Date, as defined in **Section 19**, and shall continue until terminated by  
26             either party upon 30 days written notice to the other party.
- 27             2. COUNTY Staff and Resources. The COUNTY hereby agrees to provide the  
28             CORPORATION staff and Resources according to the Policies and Procedures



1 of the COUNTY and under the direction of CORPORATION's Chief Executive  
2 Officer.

3 a. COUNTY staff shall provide services necessary for the  
4 CORPORATION to conduct its day to day activities, subject to the  
5 availability of COUNTY staff.

6 b. COUNTY Resources shall include, but not be limited to, the following:

7 (i) Office space in the building located at 1325 Spruce Street,  
8 Riverside, CA ("Administrative Building");

9 (ii) Other resources related to the Administrative Building  
10 including, but not limited to: utilities, custodial services,  
11 parking lot, elevator, office supplies, maintenance and repair  
12 services, recycling bins, trash service and office equipment  
13 such as photo copiers, scanners, phones, faxes and  
14 computers.

15 3. Exclusions. Excluded from the use of COUNTY staff and Resources are:

16 a. Use of COUNTY-owned automobiles; and

17 b. Use of COUNTY staff and/or Resources that is in violation of (1)  
18 state, federal or local law, (2) Provisions set forth in COUNTY's  
19 Conflict of Interest Code, and (3) Provisions set forth in  
20 CORPORATION's Conflict of Interest Code.

21 4. Personnel Status. The personnel assigned by the COUNTY to provide services  
22 to the CORPORATION shall remain employees of the County of Riverside,  
23 acting through the COUNTY, on COUNTY payroll, and shall be entitled to all  
24 benefits set forth in their individual employee agreements with the County of  
25 Riverside. At all times during the term of this AGREEMENT, COUNTY staff  
26 providing services to the CORPORATION will receive their assignments from the  
27 CORPORATION's Chief Executive Officer.

28

- 1 5. Performance. The Assistant County Executive Officer/EDA, or designee, shall, as  
2 deemed necessary, conduct any performance evaluations, pursuant to Riverside  
3 County Ordinance 440, of the COUNTY personnel who may be designated to  
4 provide services to the CORPORATION.
- 5 6. Allocation of Costs. Costs for the use of COUNTY staff and Resources by  
6 CORPORATION shall be allocated pursuant to the Office of Management and  
7 Budget (OMB) Circular A-122 and as described in **Exhibit A** attached hereto and  
8 incorporated herein by this reference. The CORPORATION understands that  
9 such costs shall include, but not be limited to, the salary and benefits, services,  
10 supplies, facility changes and any other costs associated with the COUNTY  
11 providing the staff and Resources herein. The CORPORATION also understands  
12 that it will be responsible for payment to the COUNTY for any increases in salary  
13 and benefits that may occur during the term of this AGREEMENT.
- 14 7. Payment. On a monthly basis, the COUNTY shall provide an invoice to  
15 CORPORATION for the costs to use COUNTY staff and Resources which were  
16 incurred during the previous period. CORPORATION shall remit payment to the  
17 COUNTY for the cost of providing the staff and Resources specified herein.
- 18 8. Documentation of Costs. Costs incurred by CORPORATION for use of COUNTY  
19 staff and Resources shall be documented as described in **Exhibit B** attached  
20 hereto and incorporated herein by this reference and attached to the invoice  
21 submitted by the COUNTY to the CORPORATION for payment each period.
- 22 9. Suspension of Payments. The CORPORATION shall have the option, at its  
23 discretion, to request a suspension for payment for use of COUNTY Resources  
24 during periods of non-use, as described in **Exhibit A**.
- 25 10. Financial Records. The COUNTY and the CORPORATION shall both maintain  
26 financial and other supporting records of operational and financial activities which  
27 are related to or involve the COUNTY staff and/or Resources herein. Such  
28 records shall be open to inspection and audit by authorized representatives of

1 the other respective party during regular working hours and shall be retained by  
2 the COUNTY and CORPORATION for a period of not less than ten (10) years  
3 after termination of this AGREEMENT.

4 11. Compliance with Laws and Regulations. By executing this AGREEMENT,  
5 CORPORATION hereby certifies that it will adhere to and comply with all federal,  
6 state and local laws and regulations.

7 12. Prohibition against Conflicts of Interest.

8 a. The CORPORATION shall promptly disclose to the COUNTY any  
9 potential conflict of interest, including even the appearance of conflict that  
10 may arise with respect to the activities under this AGREEMENT.

11 b. The COUNTY shall promptly disclose to CORPORATION any potential  
12 conflict of interest, including even the appearance of conflict that may  
13 arise with respect to the activities under this AGREEMENT.

14 13. Entire Agreement. It is expressly agreed that this AGREEMENT embodies the  
15 entire agreement of the parties in relation to the subject matter hereof, and that  
16 no other agreement or understanding, verbal or otherwise, relative to this subject  
17 matter, exists between the parties at the time of execution.

18 14. Severability. Each paragraph and provision of this AGREEMENT is severable  
19 from each other provision, and if any provision or part thereof is declared invalid,  
20 the remaining provisions shall nevertheless remain in full force and effect.

21 15. Amendments. The COUNTY or the CORPORATION may consider it in its best  
22 interest to amend, change, modify or extend a term or condition of this  
23 AGREEMENT. Any such amendment, change, extension or modification, which  
24 is mutually agreed upon by the COUNTY and the CORPORATION, shall be  
25 incorporated in written amendments to this AGREEMENT. No amendment to this  
26 AGREEMENT shall be effective and binding upon the parties, unless it expressly  
27 makes reference to this AGREEMENT, is in writing and is signed and  
28 acknowledged by duly authorized representatives of both parties.

1 16. Ministerial Acts. The Assistant County Executive Officer/EDA, or designee, is  
2 authorized to take such ministerial actions on behalf of the COUNTY as may be  
3 necessary or appropriate to implement the terms, provisions, and conditions of  
4 this Agreement as it may be amended from time to time by the COUNTY.

5 17. Notices. All notices, requests, demands and other communication required or  
6 desired to be served by either party upon the other must be in writing and shall  
7 be properly given and effective when personally served or sent by United States  
8 Postal Service first class, certified mail, or express delivery service, with postage  
9 affixed. The effective date of any such mailed notice shall commence to run from  
10 the day after its deposit in the mail. Such notices shall be addressed to the  
11 respective parties as follows:

<u>CORPORATION</u>	<u>COUNTY</u>
Chief Operating Officer	Assistant County Executive
Corporation Name	Officer/EDA
1325 Spruce St., Suite 500	Riverside County Economic
Riverside, CA 92507	Development Agency
	3403 10 <sup>th</sup> St., Suite 300
	Riverside, CA 92501

18. Counterparts. This AGREEMENT may be signed by the different parties hereto  
19 in counterparts, each of which shall be an original but all of which together shall  
20 constitute one and the same agreement.  
21

22 19. Effective Date. The effective date of this AGREEMENT is the date the parties  
23 execute the AGREEMENT. If the parties execute the AGREEMENT on more  
24 than one date, then the date first above written shall be the effective date.

25 [Remainder of Page Intentionally Blank]

26 [Signatures on Following Page]

1 **IN WITNESS WHEREOF**, the CORPORATION and the COUNTY have executed this  
2 AGREEMENT as of the date first above written.

3  
4 **“CORPORATION”**  
5 CORPORATION NAME, a California  
6 non-profit corporation

7  
8 **“COUNTY”**  
9 RIVERSIDE COUNTY ECONOMIC  
10 DEVELOPMENT AGENCY WORKFORCE  
11 DEVELOPMENT DIVISION, a public  
12 agency, corporate and politic

13 By: \_\_\_\_\_  
14 Name,  
15 Chairperson of the Board

16 By: \_\_\_\_\_  
17 Robert Field,  
18 Assistant County Executive Officer, EDA

19 Date: \_\_\_\_\_

20 Date: \_\_\_\_\_

21 APPROVED AS TO FORM:

22 APPROVED AS TO FORM:

23 Gregory P. Priamos, General Counsel

24 Gregory P. Priamos, County Counsel

25 By: \_\_\_\_\_  
26 Jhaila R. Brown,  
27 Deputy General Counsel

28 By: \_\_\_\_\_  
Anita C. Willis,  
Assistant County Counsel

## **EXHIBIT A**

### **ALLOCATION OF COSTS FOR USE OF STAFF AND RESOURCES**

Costs for CORPORATION'S use of COUNTY staff and Resources shall be allocated using a basic cost allocation method. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. The total cost of shared COUNTY staff and Resources is comprised of the direct costs plus indirect costs.

The formulas and methodology used to allocate direct and indirect costs are formed under the following conditions:

1. Costs that are identified as benefitting the CORPORATION are prorated based on the benefits derived from the activities the costs are attributed to.
2. Costs are allocated using a base, or cost driver, which measures the relative degree of benefit and that results in the most reasonable and equitable distribution.

#### Allocation of Costs for Use of COUNTY Staff

The base, or cost driver, for allocation of COUNTY staff costs shall be number of hours worked.

Charges to CORPORATION for use of COUNTY staff shall be calculated as a percentage of the staff member's salary plus benefits for the period of use, based on the ratio of the number of hours of work per period on CORPORATION-related activities to the total number of hours per period.

*For example\*: if a COUNTY staff member works 20 hours of an 80 hour pay period on CORPORATION- related activities and the staff member's salary plus benefits for the period is \$3,000, then the cost allocable to that staff member's time during that period would be calculated as follows:*

$$(20/80) \times \$3,000 = 25\% \times \$3,000 = \$750$$

*\*Example is hypothetical and provided only for illustrative purposes.*

#### Allocation of Costs for Use of COUNTY Resources

The base, or cost driver, for use of COUNTY Resources shall be square footage.

Charges to the CORPORATION for use of COUNTY Resources shall be calculated as a percentage of the total cost of Resources for the period of use based on the ratio of square footage used for CORPORATION-related business space to total building square footage.

*For example\*: if the COUNTY's total cost of Resources for the period is \$25,000 and CORPORATION-related business is conducted utilizing 1,000 square feet of a 20,000 total square foot building, then the cost allocable to CORPORATION's use of COUNTY Resources for that period would be calculated as follows:*

$$(1,000/20,000) \times \$25,000 = 5\% \times \$25,000 = \$1250.00$$

*\*Example is hypothetical and provided only for illustrative purposes.*

#### Suspension of Payments for Periods of Non-Use

Periods during which there are zero COUNTY staff hours allocable to CORPORATION are considered to be periods of non-use in which no square footage is actually used for CORPORATION-related business. During such periods, CORPORATION will continue

to remit payment to COUNTY for Resources as described above. However, after four (4) contiguous weeks of non-use of COUNTY Resources, CORPORATION may submit to COUNTY, in writing, a request for a suspension of payment for COUNTY Resources, which shall include an explanation for the cause of such request and an estimate for the period of the suspension. All requests for suspension shall be approved in writing by the Assistant County Executive Officer/EDA, or designee, in her/his reasonable discretion.



**EXHIBIT B**  
**DOCUMENTATION OF ALLOCABLE COSTS**

Where COUNTY staff provides services to CORPORATION, a distribution of COUNTY staff hours worked will be evidenced by timesheets or equivalent documentation. The dollar amount of COUNTY staff salary plus benefits will be evidenced by written salary and benefit documentation.

Where COUNTY Resources are used by CORPORATION, a distribution of the Administrative Building's square footage allocated to CORPORATION shall be evidenced by COUNTY's Administrative Building Cost Allocation document accompanied by a COUNTY Income Statement with an itemization of the individual components comprising the Resources.

The documentation referenced herein shall be attached to the invoice submitted by the COUNTY to the CORPORATION for payment each period.

EXHIBIT A  
FORM OF BYLAWS  
(behind this page)

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**BYLAWS OF**  
**Corporation Name**  
A California Nonprofit Public Benefit Corporation  
As of January 12, 2016

**ARTICLE 1**        **NAME**  
Section 1.1        Corporate Name  
The official name of this corporation is Corporation Name (“Corporation”).

**ARTICLE 2**        **OFFICES**  
Section 2.1        Principal Office  
The principal office for the transaction of the activities and affairs of the Corporation is located at 1325 Spruce Street, Suite 500 in Riverside, California 92507. The location of the principal office may be changed by resolution of the Corporation’s Board of Directors (“Board”) from one location to another within the County of Riverside.

Section 2.2        Other Offices  
The Board may, at any time, establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

**ARTICLE 3**        **PURPOSES**  
Section 3.1        General Purpose  
This corporation is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

Section 3.2        Specific Purposes  
The specific purpose of this Corporation is primarily to support and promote the Riverside County workforce development system as a means of promoting the common good and general welfare of the people of the State of California. Additionally, this Corporation may engage in any activities that are reasonably related to or in furtherance of its stated public and charitable purposes, or in any other charitable activities as allowed by law.

**ARTICLE 4**        **LIMITATIONS**  
Section 4.1        Political Activities  
The Corporation has been formed under the Nonprofit Corporation Law of California (“California Nonprofit Corporation Law”) and is organized and operated exclusively for charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended (“Internal Revenue Code”). The Corporation shall be nonprofit and non-partisan. No substantial part of the activities of the Corporation shall consist of carrying on

propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.2

Prohibited Activities

The Corporation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article 3. The Corporation may not carry on any activity for the profit of its Officers, Directors or other persons or distribute any gains, profits or dividends to its Officers, Directors or other person as such. Furthermore, nothing in Article 3 shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on:

1. By a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code.
2. By a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.

**ARTICLE 5**

**DEDICATION OF ASSETS**

Section 5.1

Property Dedicated to Nonprofit Purposes

The property of the Corporation is irrevocably dedicated to charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code. No part of the net income or assets of the Corporation shall ever inure to the benefit of any of its Directors or Officers or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

Section 5.2

Distribution of Assets upon Dissolution

Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

**ARTICLE 6**

**MEMBERSHIPS**

This Corporation shall have no members within the meaning of Section 5056 of the California Nonprofit Corporation Law. Any action of this Corporation which would otherwise require approval by a majority of members or approval by the members, shall require only approval of the Board, any

provision of the Bylaws to the contrary notwithstanding. All rights that would otherwise vest in the members shall vest in the Board.

**ARTICLE 7**  
Section 7.1

**DIRECTORS**

Corporate Powers Exercised by the Board

Subject to the provisions and limitations of the California Nonprofit Corporation Law and all other applicable laws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised by or under the direction of the Board.

Without prejudice to the general powers set forth in these Bylaws but subject to the same limitation, the Directors shall have the power to:

1. Appoint and remove, at the pleasure of the Board, all the Corporation's Officers, agents, employees and volunteers; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; fix their compensation, if any; and require from them security for faithful performance of their duties.
2. Change the principal office or the principal business office from one location to another in the County of Riverside; and designate any place within the County of Riverside for holding any meeting.
3. Adopt and use a corporate seal and alter the forms of the seal from time to time as the Board may deem appropriate.
4. Enter into such contracts, ventures, associations or other arrangements as may be necessary or convenient to carry out the purposes of the Corporation.
5. Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
6. Receive, hold, invest, donate, transfer and administer real and personal property for the benefit of the Corporation and its purposes to the extent consistent with Section 501(c) (3) of the Internal Revenue Code and Section 509(a) (2) of the Internal Revenue Code.
7. Undertake all activities lawfully open to nonprofit corporations organized under the California Nonprofit Corporation Law, subject to any restrictions or conditions stated elsewhere in these Bylaws, to the extent such activities may be conducted by organizations organized and operated

exclusively for charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code.

8. Do everything necessary, proper, advisable and convenient for the accomplishment of the purposes set forth above, and to do all other things incidental thereto or connected therewith which are not forbidden by the Internal Revenue Code, the Corporations Code, the Articles of Incorporation, these Bylaws or any other applicable law or regulation.

The Board may delegate the management of the activities of the Corporation to any person or persons, management company or committee however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 7.2 Number and Qualification of Directors

The authorized number of Directors shall be five (5), who shall be comprised of the Chairperson of the Riverside County Workforce Development Board, the Vice Chairperson of the Riverside County Workforce Development Board, and three additional members appointed by the Riverside County Board of Supervisors, which persons shall be selected based on the current needs of the Corporation.

Section 7.3 Election, Designation and Term of Office

The three Directors who are appointed by the Riverside County Board of Supervisors shall each serve for two-year terms. The terms of the Corporation's other two Directors shall be concurrent with their respective terms as Chairperson or Vice Chairperson of the Riverside County Workforce Development Board.

Section 7.4 Vacancies on Board

A vacancy or vacancies on the Board of any of the three Director positions that are appointed by the Riverside County Board of Supervisors shall be filled by appointment by the Riverside County Board of Supervisors. A vacancy or vacancies on the Board of the Corporation's other two Directors shall be filled in the same manner and process as such vacancies are filled for the Riverside County Workforce Development Board.

Section 7.5 Removal The Board may by resolution declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law. The Board may, by a majority vote of the Directors currently in office, declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office. Directors may

be removed without cause by a vote of the majority of Directors currently in office.

Section 7.6 Reduction of Number of Directors

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and the California Nonprofit Corporation Law.

Section 7.7 Meetings

7.7.1 Place of Meeting

The Board shall hold meetings at any place within Riverside County, California that has been designated by resolution of the Board or in the Notice of the Meeting or, if not so designated, at the Riverside County Workforce Development Center, 1325 Spruce Street, California. The Corporation may hold its meetings at such other locations as the Corporation may from time to time designate by resolution, in the order of adjournment, or notice of call of any special meeting. Meetings of the Board of Directors shall be in the manner provided in the Ralph M. Brown Act (Government Code Section 54940, et seq., as such sections now exist or may be hereafter amended; "Brown Act").

7.7.2 Regular meetings

The Board shall hold regular meetings semi-annually on a date and at a time specified by the Board in the manner provided in the Brown Act. One such meeting shall occur during the month of March or April of each year and another such meeting shall occur during the month of September or October of each year.

7.7.3 Special Meetings

Special Meetings of the Board for any purpose may be called at any time by the Chairperson of the Board, or by a majority of the members of the Board in the manner provided for in the Brown Act.

7.7.4 Meetings to be Open and Public

All of the Corporation's Board meetings, defined as any congregation of a majority of the Board members to hear, discuss, deliberate, or take action on any item concerning the Corporation, shall be open to the public and noticed to the extent required by law, including but not limited to, the provisions of the Brown Act.

7.7.5 Closed Session

Nothing contained in these Bylaws shall be construed to prevent the Board from holding closed sessions during a regular or special meeting concerning any matter permitted by law to be considered in a closed session. All closed

session meetings and notice thereof shall be conducted in the manner provided for in the Brown Act.

7.7.6 Emergency Meetings

Nothing contained in these Bylaws shall be construed to prevent the Board from holding an emergency meeting when prompt action is needed due to the actual or threatened disruption of public facilities. An emergency situation exists if the Board determines that a work stoppage, crippling disaster, or other activity may endanger public health, safety or both. All emergency meetings and notice thereof shall be conducted in the manner provided for in the Brown Act.

7.7.7 Public Hearings

All public hearings held by the Board shall be held during regular or special meetings of the Corporation.

7.7.8 Order of Business

The Board may establish the general order of business at Board meetings. At any meeting, the Board may, by vote of a majority of the Board members present, change the order of business.

7.7.9 Agenda

An agenda for the Board meetings must be posted at least 72 hours before a regular meeting in a location freely accessible to members of the public, in accordance with the Brown Act. It shall state the meeting time and place and must contain a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session.

Section 7.8

Quorum

A majority of the Directors currently in office shall constitute a quorum for the transaction of business at any meeting of the Board, except to adjourn, unless the presence of a greater number is required by law, in which event the quorum shall be such number as the law requires. Every action taken or decision made by a majority of Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of California Nonprofit Corporation Law, including, without limitation those provisions related to:

1. Approval of contracts or transactions in which a Director has a direct or indirect material financial interest;
2. Approval of certain transactions between corporations having common directorships;
3. Creation of an appointment to Committees of the Board; and



#### 4. Indemnification of Directors.

A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

#### Section 7.9

##### Adjournment

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. In adjourning any meeting, there shall be compliance with all procedures of the Brown Act, including, but not limited to, providing notice of the adjournment by posting a copy of the order of adjournment at or near the door of the place where the meeting was held, within 24 hours after the adjournment.

#### Section 7.10

##### Compensation and Reimbursement

Directors and members of such standing committees as are created may receive such compensation, if any, whether serving as Directors or Officers, and such reimbursement of expenses, as the Board may determine by resolution to be just and reasonable as to the Corporation at the time that the resolution is adopted so long as it is consistent with federal, state and local law.

### **ARTICLE 8**

### **COMMITTEES**

#### Section 8.1

##### Committees of the Board

The Board may, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, create one or more Committee(s) of the Board, each consisting of two or more Directors to serve at the pleasure of the Board.

#### Section 8.2

##### Composition of Committees of the Board

Only Directors may be appointed to the Committee(s) of the Board. Appointments to the Committee(s) of the Board shall be by majority vote of the Directors currently in office. The Board may appoint one or more Directors as alternate members of any such Committee(s), who may replace any absent member at any meeting.

#### Section 8.3

##### Powers Exercised by Committees of the Board

Any such Committee(s), to the extent provided in the Board resolution, shall have all the authority of the Board, except that no Committee(s) of the Board, regardless of Board resolution, may:

1. Fill vacancies on the Board or on any Committee(s) of the Board that has the authority of the Board;

2. Fix compensation of the Directors for serving on the Board or on any Committee(s) of the Board;
3. Amend or repeal Bylaws or adopt new Bylaws;
4. Amend or repeal any resolution of the Board that by its expressed terms is not so amendable or repealable;
5. Create any other Committees of the Board or appoint the members of Committees of the Board;
6. Approve any contract or any transaction:
  - a) between the Corporation and one or more of its Directors; or
  - b) to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233 (d) (3) of the Corporations Code.

#### Section 8.4

##### Meetings and Action of Committees

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

#### Section 8.5

##### Advisory Committees

If the Board shall appoint any Committee(s) which has as a member any non-Director, it is not a "Committee of the Board", and it should be clearly labeled an "Advisory Committee". All actions and recommendations of an Advisory Committee shall require ratification by the Board before being given effect. The Board may not delegate any element of management of the Corporation's activities to an Advisory Committee.

## **ARTICLE 9**

### **OFFICERS**

#### Section 9.1

##### Officers of the Corporation

The officers of the Corporation ("Officers") shall be a Chairperson, a Vice Chairperson, a Chief Executive Officer, Chief Operating Officer, a Secretary

and a Treasurer. The Board shall have the power to appoint, and may authorize an Officer to appoint, additional Officers with such duties, powers, titles and privileges as the Board may fix. Any number of offices may be held by the same person, except that the no person serving as Secretary or Treasurer may serve concurrently as the Chairperson of the Board.

Section 9.2

Election, Designation and Term of Office

The Chairperson of the Riverside County Workforce Development Board shall serve as the Chairperson of the Corporation's Board of Directors. The Vice Chairperson of the Riverside County Workforce Development Board shall serve as the Vice Chairperson of the Corporation's Board of Directors. The Assistant County Executive Officer for the Riverside County Economic Development Agency shall serve as the Chief Executive Officer of the Corporation. The Executive Director of the Riverside County Workforce Development Board shall serve as the Chief Operating Officer of the Corporation. The Deputy Director of the Riverside County Workforce Development Board shall serve as the Secretary of the Corporation. The Managing Director of the Riverside County Economic Development Agency shall serve as the Treasurer of the Corporation. All Officers' terms shall be concurrent with their corresponding terms with the Riverside County Workforce Development Board or Riverside County Economic Development Agency, as applicable.

Section 9.3

Vacancies

A vacancy in any office shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur.

Section 9.4

Removal

Subject to the rights, if any, of an Officer under any contract of employment, any Officer may be removed concurrent with their removal from their corresponding position at the Riverside County Workforce Development Board or Riverside County Economic Development Agency, as applicable.

Section 9.5

Responsibilities of Officers

9.5.1

Responsibilities of Chairperson of the Board

The Chairperson of the Board shall be a Director, shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. The Chairperson shall sign contracts, deeds and other instruments made by the Corporation and authorized by the Board.

9.5.2

Responsibilities of the Vice Chairperson of the Board

The Vice Chairperson of the Board shall be a Director and shall perform the duties of the Chairperson in the absence of the Chairperson.

9.5.3 Responsibilities of the Chief Executive Officer

The Chief Executive Officer shall be the general manager of the Corporation and, subject to the control of the Board, shall have general supervision over the administration of the Corporation's business and operations. The Chief Executive Officer shall be empowered to supervise all of the employees of the Corporation, under such terms and having such job responsibilities as the Chief Executive Officer shall determine in his or her sole discretion, subject to the rights, if any, of the employee under any contract of employment. The Chief Executive Officer shall be delegated signing authority by the Board as set forth by resolution of the Board. The Chief Executive Officer may delegate his or her responsibilities and powers subject to the control of the Board. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

9.5.4 Responsibilities of the Chief Operating Officer

The Chief Operating Officer shall assist in the general supervision and administration of the day to day business and affairs of the Corporation, subject to the direction of the Chief Executive Officer. The Chief Operating Officer shall be authorized to seek funding opportunities such as grants and proposals and shall be delegated signing authority by the Board as set forth by resolution of the Board. The Chief Operating Officer may delegate his or her responsibilities and powers subject to the control of the Board. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

9.5.5 Responsibilities of the Secretary

The Secretary shall be delegated signing authority by the Board as set forth by resolution of the Board and may delegate his or her responsibilities and powers subject to the control of the Board. The Secretary shall keep or cause to be kept, at the principal office of the Corporation or such other place as the Board may direct:

1. The original or a copy of these Bylaws, certified by the Secretary and as amended to date.
2. A copy of the Articles of Incorporation, as amended to date.
3. A book of minutes of all meetings, proceedings, and actions of the Board and Committee(s) of the Board.

The Secretary shall keep the Corporate Seal in safe custody and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

9.5.6 Responsibilities of the Treasurer

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board

The Treasurer shall be delegated signing authority by the Board as set forth by resolution of the Board and may delegate his or her responsibilities and powers subject to the control of the Board.

The Treasurer shall deposit or cause to be deposited all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the Board, when requested, an account of all transactions and an account of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement or removal from office.

**ARTICLE 10**      **ADDITIONAL PERSONNEL**

Section 10.1      Clerk of the Board

The Secretary of the Riverside County Workforce Development Board shall serve as the Clerk of the Board for the Corporation. The Clerk of the Board shall give, or cause to be given, notice of all meetings of the Board and Committees of the Board required by these Bylaws to be given. The Clerk of the Board, or designee, shall certify meeting minutes as these Bylaws prescribe and in the manner provided in the Brown Act. The Clerk of the Board shall also serve as the Corporation's Filing Officer for Form 700 Statements of Economic Interest.

Section 10.2      General Counsel

General Counsel shall be appointed by the Board from the office of County Counsel of the County of Riverside ("County Counsel"). General Counsel shall be responsible for review and/or preparation of all proposed resolutions, rules, contracts and all other legal actions of the Corporation. He or she shall give advice or opinion in writing to the Officers and/or Board whenever required or requested to do so. He or she shall attend to lawsuits and other

matters to which the Corporation is a party or in which the Corporation may be legally interested and do such other things as the Board may require. General Counsel, or designee, shall record and maintain safe custody of minutes of closed session meetings as these Bylaws prescribe and in the manner provided in the Brown Act.

The extent and nature of such services shall be set forth in a contract between the Corporation and County Counsel establishing certain Corporation/County Counsel relationships.

Section 10.3

Additional Personnel

The day-to-day services required by the Corporation are to be rendered by employees of the County of Riverside Workforce Development Center (“WDC”). The extent and nature of such services shall be set forth in a contract between the Corporation and the WDC.

Section 10.4

Agents, Consultants and Volunteers

In addition to the use of WDC employees, the Board may from time-to-time establish such positions and select and appoint such agents, consultants and volunteers, regular and temporary, as it may require and determine their qualifications, duties and compensation.

The Board may, from time-to-time appoint or employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by state and federal statutes applicable thereto. The selection, duties and compensation of such personnel shall be determined by the Board, subject to the laws of the State of California.

**ARTICLE 11**

**INDEMNIFICATION**

Section 11.1

Right of Indemnity

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other people described in Section 5238 (a) of the Corporations Code, including people formally occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceeding by reason of the fact that the person is or was an agent of the corporation. The indemnification shall include 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 of the Corporations Code.

The terms “expenses”, “proceeding” and “agent” as used in these Bylaws shall have the same meaning as in Section 5238 (a) of the Corporations Code.

Section 11.2

Approval of Indemnity

On written request to the Board by any person seeking indemnification under Sections 5238 (b) or 5238 (c) of the Corporations Code, the Board shall promptly determine under Section 5238 (e) whether the applicable standard of conduct set forth in Sections 5238 (b) or 5238 (c) has been met. If so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly refer the question to the Riverside County Board of Supervisors. The Riverside County Board of Supervisors shall determine under Section 5238 (e) whether the applicable standard of conduct set forth in Section 5238 (b) or 5238 (c) has been met and, if so, the Riverside County Board of Supervisors shall authorize indemnification.

Section 11.3

Advancement of Expenses

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred in defending any proceeding may be advanced by the Corporation before final disposition of the proceeding on receipt by the Corporation of an undertaking by or on behalf of that agent to repay the amount of that advance unless it is ultimately determined that the agent is entitled to be indemnified by the Corporation for those expenses.

Section 11.4

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 of them in such capacity or arising out of their status as such.

**ARTICLE 12**

**RECORDS AND REPORTS**

Section 12.1

Articles of Incorporation and Bylaws

The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Section 12.2

Books and Records of Account

The Corporation shall keep adequate and correct books and records of account. Such books and records shall include, but are not necessarily limited to: accounts of properties and transactions, and corporate assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall be open to inspection by any Director at all reasonable times.

Section 12.3

Annual Report

The Board shall cause an Annual Report to be sent to each Director within 120 days after the end of the Corporation's fiscal year. The Annual Report shall contain the following information in appropriate detail:

1. The assets and liabilities, including trust funds, of the Corporation at of the end of the fiscal year.
2. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
3. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, during the fiscal year.
4. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
5. Any additional information required by this Article of these Bylaws or at the request of the Board.

The Annual Report shall be accompanied by a report (if any) of independent accountants, or if there is no such report, by the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an Annual Report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an Annual Report must be furnished annually to all Directors.

#### Section 12.4

##### Annual Statement of Certain Transactions and Indemnifications

As part of the Annual Report, a statement of any transaction for indemnification of the following kind shall be prepared and furnished to each Director:

1. Any transaction:
  - a) in which the Corporation participated;
  - b) in which a Director or Officer of the Corporation had a direct or indirect material financial interest; and
  - c) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving in the aggregate more than \$50,000.

The statement shall include a brief description of the transaction, the names of the interested people involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was



with the partnership in which the interested person is a partner, only the interest of the partnership need be stated.

2. Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the Corporation under these Bylaws, unless that indemnification has already been approved by the Riverside County Board of Supervisors.

#### Section 12.5

##### Meeting Minutes

The Corporation shall keep a minute book in written form which shall contain a record of all actions of the proceedings of the Board or any Committees of the Board including:

1. The time, date and place of each meeting;
2. Whether a meeting is regular or special and, if special, how authorized;
3. The manner of giving notice of each meeting and a copy thereof;
4. The names of those present at each meeting;
5. The minutes of all meetings;
6. Any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof;
7. All protests concerning lack of notice; and
8. Formal dissents from Board actions.

Copies of Board meeting minutes that are duly certified by the Clerk of the Board, or designee, as being correct shall serve as proof of actions of the Corporation.

#### **ARTICLE 13**

##### **CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, indication of gender shall include all genders and indication of numbers shall include singular and plural, and the term person shall include both a legal entity and a natural person.

#### **ARTICLE 14    AMENDMENTS**

The Board may adopt, amend, or repeal these Bylaws. Such power is subject to the following limitations:

1. The Board may not extend the term of a Director beyond that for which the Director was appointed.
2. The Board may not, without the approval of the Riverside County Board of Supervisors, specify or change any Bylaw provision which would:
  - a) fix or change the authorized number of Directors,
  - b) fix or change the minimum or maximum number of Directors, or
  - c) change from a fixed number of Directors to a variable number of Directors or vice versa.
3. If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly appointed and acting Secretary of Corporation name, a California Non-Profit Public Benefit Corporation, that the above Bylaws, consisting of 16 pages, are the Bylaws of this Corporation as adopted by the Board of Directors on \_\_\_\_\_, 20\_\_\_\_ and that they have not been amended or modified since that date.

Executed on \_\_\_\_\_, 20\_\_\_\_ at Riverside, California.

By: \_\_\_\_\_  
Secretary

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EXHIBIT B  
FORM OF ARTICLES OF INCORPORATION  
(behind this page)

# ARTICLES OF INCORPORATION

## ARTICLE 1

The name of this corporation is Corporation Name.

## ARTICLE 2

This corporation is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

## ARTICLE 3

The specific purpose of this Corporation is primarily to support and promote the Riverside County workforce development system as a means of promoting the common good and general welfare of the people of the State of California. Additionally, this Corporation may engage in any activities that are reasonably related to or in furtherance of its stated public and charitable purposes, or in any other charitable activities as allowed by law.

## ARTICLE 4

The name and address in the State of California of this Corporation's initial agent for service of process is:

Robert Field  
Riverside County Economic Development Agency  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501

## ARTICLE 5

The initial street and mailing address of this Corporation is:

1325 Spruce Street, Suite 500  
Riverside, CA 92507

## ARTICLE 6

This Corporation shall have no members.

## ARTICLE 7

This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986, as amended.

## ARTICLE 8

The property of this Corporation is irrevocably dedicated to charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended. No part of the net income or assets of this Corporation shall ever inure to the benefit of any of its Directors or Officers or to the benefit of any private person, except that this Corporation is authorized and

empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

**ARTICLE 9**

Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

**ARTICLE 10**

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

**ARTICLE 11**

Notwithstanding any other provision of these Articles of Incorporation, this Corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended or (ii) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1986, as amended.

x

\_\_\_\_\_  
Robert Field, Incorporator

\_\_\_\_\_  
Date

**ATTACHMENT B**  
**Articles of Incorporation**

## **ARTICLES OF INCORPORATION**

### **ARTICLE 1**

The name of this corporation is Corporation Name.

### **ARTICLE 2**

This corporation is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

### **ARTICLE 3**

The specific purpose of this Corporation is primarily to support and promote the Riverside County workforce development system as a means of promoting the common good and general welfare of the people of the State of California. Additionally, this Corporation may engage in any activities that are reasonably related to or in furtherance of its stated public and charitable purposes, or in any other charitable activities as allowed by law.

### **ARTICLE 4**

The name and address in the State of California of this Corporation's initial agent for service of process is:

Robert Field  
Riverside County Economic Development Agency  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501

### **ARTICLE 5**

The initial street and mailing address of this Corporation is:

1325 Spruce Street, Suite 500  
Riverside, CA 92507

### **ARTICLE 6**

This Corporation shall have no members.

### **ARTICLE 7**

This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986, as amended.

### **ARTICLE 8**

The property of this Corporation is irrevocably dedicated to charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended. No part of the net income or assets of this Corporation shall ever inure to the benefit of any of its Directors or Officers or to the benefit of any private person, except that this Corporation is authorized and

empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

**ARTICLE 9**

Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

**ARTICLE 10**

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

**ARTICLE 11**

Notwithstanding any other provision of these Articles of Incorporation, this Corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended or (ii) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1986, as amended.

x

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Robert Field, Incorporator

Date



**ATTACHMENT C**

**Bylaws**

**BYLAWS OF**  
**Corporation Name**  
A California Nonprofit Public Benefit Corporation  
As of January 12, 2016

**ARTICLE 1**            **NAME**  
Section 1.1            Corporate Name  
The official name of this corporation is Corporation Name (“Corporation”).

**ARTICLE 2**            **OFFICES**  
Section 2.1            Principal Office  
The principal office for the transaction of the activities and affairs of the Corporation is located at 1325 Spruce Street, Suite 500 in Riverside, California 92507. The location of the principal office may be changed by resolution of the Corporation’s Board of Directors (“Board”) from one location to another within the County of Riverside.

Section 2.2            Other Offices  
The Board may, at any time, establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

**ARTICLE 3**            **PURPOSES**  
Section 3.1            General Purpose  
This corporation is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

Section 3.2            Specific Purposes  
The specific purpose of this Corporation is primarily to support and promote the Riverside County workforce development system as a means of promoting the common good and general welfare of the people of the State of California. Additionally, this Corporation may engage in any activities that are reasonably related to or in furtherance of its stated public and charitable purposes, or in any other charitable activities as allowed by law.

**ARTICLE 4**            **LIMITATIONS**  
Section 4.1            Political Activities  
The Corporation has been formed under the Nonprofit Corporation Law of California (“California Nonprofit Corporation Law”) and is organized and operated exclusively for charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended (“Internal Revenue Code”). The Corporation shall be nonprofit and non-partisan. No substantial part of the activities of the Corporation shall consist of carrying on

propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.2 Prohibited Activities

The Corporation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article 3. The Corporation may not carry on any activity for the profit of its Officers, Directors or other persons or distribute any gains, profits or dividends to its Officers, Directors or other person as such. Furthermore, nothing in Article 3 shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on:

1. By a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code.
2. By a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.

**ARTICLE 5** **DEDICATION OF ASSETS**

Section 5.1

Property Dedicated to Nonprofit Purposes

The property of the Corporation is irrevocably dedicated to charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code. No part of the net income or assets of the Corporation shall ever inure to the benefit of any of its Directors or Officers or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

Section 5.2

Distribution of Assets upon Dissolution

Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

**ARTICLE 6** **MEMBERSHIPS**

This Corporation shall have no members within the meaning of Section 5056 of the California Nonprofit Corporation Law. Any action of this Corporation which would otherwise require approval by a majority of members or approval by the members, shall require only approval of the Board, any

provision of the Bylaws to the contrary notwithstanding. All rights that would otherwise vest in the members shall vest in the Board.

**ARTICLE 7**  
Section 7.1

**DIRECTORS**

Corporate Powers Exercised by the Board

Subject to the provisions and limitations of the California Nonprofit Corporation Law and all other applicable laws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised by or under the direction of the Board.

Without prejudice to the general powers set forth in these Bylaws but subject to the same limitation, the Directors shall have the power to:

1. Appoint and remove, at the pleasure of the Board, all the Corporation's Officers, agents, employees and volunteers; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; fix their compensation, if any; and require from them security for faithful performance of their duties.
2. Change the principal office or the principal business office from one location to another in the County of Riverside; and designate any place within the County of Riverside for holding any meeting.
3. Adopt and use a corporate seal and alter the forms of the seal from time to time as the Board may deem appropriate.
4. Enter into such contracts, ventures, associations or other arrangements as may be necessary or convenient to carry out the purposes of the Corporation.
5. Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
6. Receive, hold, invest, donate, transfer and administer real and personal property for the benefit of the Corporation and its purposes to the extent consistent with Section 501(c) (3) of the Internal Revenue Code and Section 509(a) (2) of the Internal Revenue Code.
7. Undertake all activities lawfully open to nonprofit corporations organized under the California Nonprofit Corporation Law, subject to any restrictions or conditions stated elsewhere in these Bylaws, to the extent such activities may be conducted by organizations organized and operated

exclusively for charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code.

8. Do everything necessary, proper, advisable and convenient for the accomplishment of the purposes set forth above, and to do all other things incidental thereto or connected therewith which are not forbidden by the Internal Revenue Code, the Corporations Code, the Articles of Incorporation, these Bylaws or any other applicable law or regulation.

The Board may delegate the management of the activities of the Corporation to any person or persons, management company or committee however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 7.2      Number and Qualification of Directors

The authorized number of Directors shall be five (5), who shall be comprised of the Chairperson of the Riverside County Workforce Development Board, the Vice Chairperson of the Riverside County Workforce Development Board, and three additional members appointed by the Riverside County Board of Supervisors, which persons shall be selected based on the current needs of the Corporation.

Section 7.3      Election, Designation and Term of Office

The three Directors who are appointed by the Riverside County Board of Supervisors shall each serve for two-year terms. The terms of the Corporation's other two Directors shall be concurrent with their respective terms as Chairperson or Vice Chairperson of the Riverside County Workforce Development Board.

Section 7.4      Vacancies on Board

A vacancy or vacancies on the Board of any of the three Director positions that are appointed by the Riverside County Board of Supervisors shall be filled by appointment by the Riverside County Board of Supervisors. A vacancy or vacancies on the Board of the Corporation's other two Directors shall be filled in the same manner and process as such vacancies are filled for the Riverside County Workforce Development Board.

Section 7.5      Removal The Board may by resolution declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law. The Board may, by a majority vote of the Directors currently in office, declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office. Directors may

be removed without cause by a vote of the majority of Directors currently in office.

Section 7.6 Reduction of Number of Directors

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and the California Nonprofit Corporation Law.

Section 7.7 Meetings

7.7.1 Place of Meeting

The Board shall hold meetings at any place within Riverside County, California that has been designated by resolution of the Board or in the Notice of the Meeting or, if not so designated, at the Riverside County Workforce Development Center, 1325 Spruce Street, California. The Corporation may hold its meetings at such other locations as the Corporation may from time to time designate by resolution, in the order of adjournment, or notice of call of any special meeting. Meetings of the Board of Directors shall be in the manner provided in the Ralph M. Brown Act (Government Code Section 54940, et seq., as such sections now exist or may be hereafter amended; "Brown Act").

7.7.2 Regular meetings

The Board shall hold regular meetings semi-annually on a date and at a time specified by the Board in the manner provided in the Brown Act. One such meeting shall occur during the month of March or April of each year and another such meeting shall occur during the month of September or October of each year.

7.7.3 Special Meetings

Special Meetings of the Board for any purpose may be called at any time by the Chairperson of the Board, or by a majority of the members of the Board in the manner provided for in the Brown Act.

7.7.4 Meetings to be Open and Public

All of the Corporation's Board meetings, defined as any congregation of a majority of the Board members to hear, discuss, deliberate, or take action on any item concerning the Corporation, shall be open to the public and noticed to the extent required by law, including but not limited to, the provisions of the Brown Act.

7.7.5 Closed Session

Nothing contained in these Bylaws shall be construed to prevent the Board from holding closed sessions during a regular or special meeting concerning any matter permitted by law to be considered in a closed session. All closed

session meetings and notice thereof shall be conducted in the manner provided for in the Brown Act.

7.7.6 Emergency Meetings

Nothing contained in these Bylaws shall be construed to prevent the Board from holding an emergency meeting when prompt action is needed due to the actual or threatened disruption of public facilities. An emergency situation exists if the Board determines that a work stoppage, crippling disaster, or other activity may endanger public health, safety or both. All emergency meetings and notice thereof shall be conducted in the manner provided for in the Brown Act.

7.7.7 Public Hearings

All public hearings held by the Board shall be held during regular or special meetings of the Corporation.

7.7.8 Order of Business

The Board may establish the general order of business at Board meetings. At any meeting, the Board may, by vote of a majority of the Board members present, change the order of business.

7.7.9 Agenda

An agenda for the Board meetings must be posted at least 72 hours before a regular meeting in a location freely accessible to members of the public, in accordance with the Brown Act. It shall state the meeting time and place and must contain a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session.

Section 7.8

Quorum

A majority of the Directors currently in office shall constitute a quorum for the transaction of business at any meeting of the Board, except to adjourn, unless the presence of a greater number is required by law, in which event the quorum shall be such number as the law requires. Every action taken or decision made by a majority of Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of California Nonprofit Corporation Law, including, without limitation those provisions related to:

1. Approval of contracts or transactions in which a Director has a direct or indirect material financial interest;
2. Approval of certain transactions between corporations having common directorships;
3. Creation of an appointment to Committees of the Board; and

#### 4. Indemnification of Directors.

A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

#### Section 7.9 Adjournment

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. In adjourning any meeting, there shall be compliance with all procedures of the Brown Act, including, but not limited to, providing notice of the adjournment by posting a copy of the order of adjournment at or near the door of the place where the meeting was held, within 24 hours after the adjournment.

#### Section 7.10 Compensation and Reimbursement

Directors and members of such standing committees as are created may receive such compensation, if any, whether serving as Directors or Officers, and such reimbursement of expenses, as the Board may determine by resolution to be just and reasonable as to the Corporation at the time that the resolution is adopted so long as it is consistent with federal, state and local law.

### **ARTICLE 8 COMMITTEES**

#### Section 8.1 Committees of the Board

The Board may, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, create one or more Committee(s) of the Board, each consisting of two or more Directors to serve at the pleasure of the Board.

#### Section 8.2 Composition of Committees of the Board

Only Directors may be appointed to the Committee(s) of the Board. Appointments to the Committee(s) of the Board shall be by majority vote of the Directors currently in office. The Board may appoint one or more Directors as alternate members of any such Committee(s), who may replace any absent member at any meeting.

#### Section 8.3 Powers Exercised by Committees of the Board

Any such Committee(s), to the extent provided in the Board resolution, shall have all the authority of the Board, except that no Committee(s) of the Board, regardless of Board resolution, may:

1. Fill vacancies on the Board or on any Committee(s) of the Board that has the authority of the Board;



2. Fix compensation of the Directors for serving on the Board or on any Committee(s) of the Board;
3. Amend or repeal Bylaws or adopt new Bylaws;
4. Amend or repeal any resolution of the Board that by its expressed terms is not so amendable or repealable;
5. Create any other Committees of the Board or appoint the members of Committees of the Board;
6. Approve any contract or any transaction:
  - a) between the Corporation and one or more of its Directors; or
  - b) to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233 (d) (3) of the Corporations Code.

#### Section 8.4

##### Meetings and Action of Committees

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

#### Section 8.5

##### Advisory Committees

If the Board shall appoint any Committee(s) which has as a member any non-Director, it is not a "Committee of the Board", and it should be clearly labeled an "Advisory Committee". All actions and recommendations of an Advisory Committee shall require ratification by the Board before being given effect. The Board may not delegate any element of management of the Corporation's activities to an Advisory Committee.

### **ARTICLE 9**

#### Section 9.1

### **OFFICERS**

#### Officers of the Corporation

The officers of the Corporation ("Officers") shall be a Chairperson, a Vice Chairperson, a Chief Executive Officer, Chief Operating Officer, a Secretary

and a Treasurer. The Board shall have the power to appoint, and may authorize an Officer to appoint, additional Officers with such duties, powers, titles and privileges as the Board may fix. Any number of offices may be held by the same person, except that the no person serving as Secretary or Treasurer may serve concurrently as the Chairperson of the Board.

Section 9.2 Election, Designation and Term of Office

The Chairperson of the Riverside County Workforce Development Board shall serve as the Chairperson of the Corporation's Board of Directors. The Vice Chairperson of the Riverside County Workforce Development Board shall serve as the Vice Chairperson of the Corporation's Board of Directors. The Assistant County Executive Officer for the Riverside County Economic Development Agency shall serve as the Chief Executive Officer of the Corporation. The Executive Director of the Riverside County Workforce Development Board shall serve as the Chief Operating Officer of the Corporation. The Deputy Director of the Riverside County Workforce Development Board shall serve as the Secretary of the Corporation. The Managing Director of the Riverside County Economic Development Agency shall serve as the Treasurer of the Corporation. All Officers' terms shall be concurrent with their corresponding terms with the Riverside County Workforce Development Board or Riverside County Economic Development Agency, as applicable.

Section 9.3 Vacancies

A vacancy in any office shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur.

Section 9.4 Removal

Subject to the rights, if any, of an Officer under any contract of employment, any Officer may be removed concurrent with their removal from their corresponding position at the Riverside County Workforce Development Board or Riverside County Economic Development Agency, as applicable.

Section 9.5 Responsibilities of Officers

9.5.1 Responsibilities of Chairperson of the Board

The Chairperson of the Board shall be a Director, shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. The Chairperson shall sign contracts, deeds and other instruments made by the Corporation and authorized by the Board.

9.5.2 Responsibilities of the Vice Chairperson of the Board

The Vice Chairperson of the Board shall be a Director and shall perform the duties of the Chairperson in the absence of the Chairperson.

9.5.3 Responsibilities of the Chief Executive Officer

The Chief Executive Officer shall be the general manager of the Corporation and, subject to the control of the Board, shall have general supervision over the administration of the Corporation's business and operations. The Chief Executive Officer shall be empowered to supervise all of the employees of the Corporation, under such terms and having such job responsibilities as the Chief Executive Officer shall determine in his or her sole discretion, subject to the rights, if any, of the employee under any contract of employment. The Chief Executive Officer shall be delegated signing authority by the Board as set forth by resolution of the Board. The Chief Executive Officer may delegate his or her responsibilities and powers subject to the control of the Board. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

9.5.4 Responsibilities of the Chief Operating Officer

The Chief Operating Officer shall assist in the general supervision and administration of the day to day business and affairs of the Corporation, subject to the direction of the Chief Executive Officer. The Chief Operating Officer shall be authorized to seek funding opportunities such as grants and proposals and shall be delegated signing authority by the Board as set forth by resolution of the Board. The Chief Operating Officer may delegate his or her responsibilities and powers subject to the control of the Board. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

9.5.5 Responsibilities of the Secretary

The Secretary shall be delegated signing authority by the Board as set forth by resolution of the Board and may delegate his or her responsibilities and powers subject to the control of the Board. The Secretary shall keep or cause to be kept, at the principal office of the Corporation or such other place as the Board may direct:

1. The original or a copy of these Bylaws, certified by the Secretary and as amended to date.
2. A copy of the Articles of Incorporation, as amended to date.
3. A book of minutes of all meetings, proceedings, and actions of the Board and Committee(s) of the Board.

The Secretary shall keep the Corporate Seal in safe custody and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

9.5.6 Responsibilities of the Treasurer

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board

The Treasurer shall be delegated signing authority by the Board as set forth by resolution of the Board and may delegate his or her responsibilities and powers subject to the control of the Board.

The Treasurer shall deposit or cause to be deposited all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the Board, when requested, an account of all transactions and an account of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement or removal from office.

**ARTICLE 10**  
Section 10.1

**ADDITIONAL PERSONNEL**

Clerk of the Board

The Secretary of the Riverside County Workforce Development Board shall serve as the Clerk of the Board for the Corporation. The Clerk of the Board shall give, or cause to be given, notice of all meetings of the Board and Committees of the Board required by these Bylaws to be given. The Clerk of the Board, or designee, shall certify meeting minutes as these Bylaws prescribe and in the manner provided in the Brown Act. The Clerk of the Board shall also serve as the Corporation's Filing Officer for Form 700 Statements of Economic Interest.

Section 10.2

General Counsel

General Counsel shall be appointed by the Board from the office of County Counsel of the County of Riverside ("County Counsel"). General Counsel shall be responsible for review and/or preparation of all proposed resolutions, rules, contracts and all other legal actions of the Corporation. He or she shall give advice or opinion in writing to the Officers and/or Board whenever required or requested to do so. He or she shall attend to lawsuits and other

matters to which the Corporation is a party or in which the Corporation may be legally interested and do such other things as the Board may require. General Counsel, or designee, shall record and maintain safe custody of minutes of closed session meetings as these Bylaws prescribe and in the manner provided in the Brown Act.

The extent and nature of such services shall be set forth in a contract between the Corporation and County Counsel establishing certain Corporation/County Counsel relationships.

Section 10.3

Additional Personnel

The day-to-day services required by the Corporation are to be rendered by employees of the County of Riverside Workforce Development Center ("WDC"). The extent and nature of such services shall be set forth in a contract between the Corporation and the WDC.

Section 10.4

Agents, Consultants and Volunteers

In addition to the use of WDC employees, the Board may from time-to-time establish such positions and select and appoint such agents, consultants and volunteers, regular and temporary, as it may require and determine their qualifications, duties and compensation.

The Board may, from time-to-time appoint or employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by state and federal statutes applicable thereto. The selection, duties and compensation of such personnel shall be determined by the Board, subject to the laws of the State of California.

**ARTICLE 11**

**INDEMNIFICATION**

Section 11.1

Right of Indemnity

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other people described in Section 5238 (a) of the Corporations Code, including people formally occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceeding by reason of the fact that the person is or was an agent of the corporation. The indemnification shall include 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 of the Corporations Code.

The terms "expenses", "proceeding" and "agent" as used in these Bylaws shall have the same meaning as in Section 5238 (a) of the Corporations Code.

Section 11.2

Approval of Indemnity

On written request to the Board by any person seeking indemnification under Sections 5238 (b) or 5238 (c) of the Corporations Code, the Board shall promptly determine under Section 5238 (e) whether the applicable standard of conduct set forth in Sections 5238 (b) or 5238 (c) has been met. If so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly refer the question to the Riverside County Board of Supervisors. The Riverside County Board of Supervisors shall determine under Section 5238 (e) whether the applicable standard of conduct set forth in Section 5238 (b) or 5238 (c) has been met and, if so, the Riverside County Board of Supervisors shall authorize indemnification.

Section 11.3

Advancement of Expenses

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred in defending any proceeding may be advanced by the Corporation before final disposition of the proceeding on receipt by the Corporation of an undertaking by or on behalf of that agent to repay the amount of that advance unless it is ultimately determined that the agent is entitled to be indemnified by the Corporation for those expenses.

Section 11.4

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 of them in such capacity or arising out of their status as such.

**ARTICLE 12**

**RECORDS AND REPORTS**

Section 12.1

Articles of Incorporation and Bylaws

The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Section 12.2

Books and Records of Account

The Corporation shall keep adequate and correct books and records of account. Such books and records shall include, but are not necessarily limited to: accounts of properties and transactions, and corporate assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall be open to inspection by any Director at all reasonable times.

Section 12.3

Annual Report

The Board shall cause an Annual Report to be sent to each Director within 120 days after the end of the Corporation's fiscal year. The Annual Report shall contain the following information in appropriate detail:

1. The assets and liabilities, including trust funds, of the Corporation at of the end of the fiscal year.
2. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
3. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, during the fiscal year.
4. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
5. Any additional information required by this Article of these Bylaws or at the request of the Board.

The Annual Report shall be accompanied by a report (if any) of independent accountants, or if there is no such report, by the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an Annual Report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an Annual Report must be furnished annually to all Directors.

#### Section 12.4

##### Annual Statement of Certain Transactions and Indemnifications

As part of the Annual Report, a statement of any transaction for indemnification of the following kind shall be prepared and furnished to each Director:

1. Any transaction:
  - a) in which the Corporation participated;
  - b) in which a Director or Officer of the Corporation had a direct or indirect material financial interest; and
  - c) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving in the aggregate more than \$50,000.

The statement shall include a brief description of the transaction, the names of the interested people involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was

with the partnership in which the interested person is a partner, only the interest of the partnership need be stated.

2. Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the Corporation under these Bylaws, unless that indemnification has already been approved by the Riverside County Board of Supervisors.

#### Section 12.5

##### Meeting Minutes

The Corporation shall keep a minute book in written form which shall contain a record of all actions of the proceedings of the Board or any Committees of the Board including:

1. The time, date and place of each meeting;
2. Whether a meeting is regular or special and, if special, how authorized;
3. The manner of giving notice of each meeting and a copy thereof;
4. The names of those present at each meeting;
5. The minutes of all meetings;
6. Any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof;
7. All protests concerning lack of notice; and
8. Formal dissents from Board actions.

Copies of Board meeting minutes that are duly certified by the Clerk of the Board, or designee, as being correct shall serve as proof of actions of the Corporation.

#### **ARTICLE 13**

##### **CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, indication of gender shall include all genders and indication of numbers shall include singular and plural, and the term person shall include both a legal entity and a natural person.

#### **ARTICLE 14**

##### **AMENDMENTS**



The Board may adopt, amend, or repeal these Bylaws. Such power is subject to the following limitations:

1. The Board may not extend the term of a Director beyond that for which the Director was appointed.
2. The Board may not, without the approval of the Riverside County Board of Supervisors, specify or change any Bylaw provision which would:
  - a) fix or change the authorized number of Directors,
  - b) fix or change the minimum or maximum number of Directors, or
  - c) change from a fixed number of Directors to a variable number of Directors or vice versa.
3. If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly appointed and acting Secretary of Corporation name, a California Non-Profit Public Benefit Corporation, that the above Bylaws, consisting of 16 pages, are the Bylaws of this Corporation as adopted by the Board of Directors on \_\_\_\_\_, 20\_\_\_\_ and that they have not been amended or modified since that date.

Executed on \_\_\_\_\_, 20\_\_\_\_ at Riverside, California.

By: \_\_\_\_\_  
Secretary

\_\_\_\_\_  
Printed Name

**ATTACHMENT D**

**Agreement for Use of Staff and Resources**