

City and County of San Francisco

Office of the Controller – City Performance

EXAMPLES OF BOARD OF DIRECTORS POLICY MANUALS

**Citywide Nonprofit Monitoring and
Capacity Building Program**



Best Practices – Board of Directors Policy Manual

The Citywide Nonprofit Monitoring and Capacity Building Program promotes the use of an up-to-date board of directors' policy manual as a best practice for all nonprofit agencies. A manual can support members of nonprofit boards of directors to understand their roles and responsibilities, including fiduciary and governance responsibilities to the nonprofit. A policy manual will typically include, but is not limited to, the following types of information:

- A list of bylaws that define term limits, quorum, committee structures, and voting/decision-making process
- Policy on board members assisting with the raising of funds and annual giving
- Board members' responsibilities in financial oversight, including reviewing financial statements and the IRS Form 990 and approving the annual budget
- How board leadership positions are filled and how the board conducts active recruitment to fill vacancies
- Conflict of Interest policy

For more information about the Citywide Nonprofit Monitoring and Capacity Building Program and other resources and tips for nonprofits please visit www.SFController.org/Nonprofits.

In the following pages are three examples of Board of Directors' policy manuals that meet City standards and which can be used as a template for a nonprofit needing to develop or update its own policies. All manuals have been shared with permission from the agencies.

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Work Transforms Lives

2015-2016 Board of Directors Policy Manual

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Introduction: General Description of Board of Directors

As our mission states, JVS (Jewish Vocational Service) transforms lives by helping people build skills and find jobs to achieve self-sufficiency.

The Board of Directors of JVS has the fundamental responsibility of providing oversight for the organization's fulfillment of its mission to the community. To this end, the Board sets direction for the agency, provides financial oversight, establishes policy, and supports the agency's generation of adequate resources to carry out its mission.

This Policy and Practice Manual is designed to facilitate active and accountable governance at JVS, as well as compliance with applicable legal requirements.

JVS is governed by a comprehensive set of bylaws, which are reviewed annually by the Board of Directors for effective governance and compliance with relevant law. The Board Policy and Practice Manual serves as a guide for the implementation of the Bylaws, as well as a manual for Board practice and function. The manual institutionalizes best practices for continuity and succession planning among Board and executive leadership, and serves as a guide for new Board member orientation.

On an annual basis, the Board Development Committee of the Board will review the Bylaws and this *Policies and Practices Manual* and will recommend revisions as appropriate to reflect changes in: applicable legal and regulatory requirements; changes in board governance; and to maintain standards of best practices. Any such recommended revisions will be reviewed and approved by the Executive Committee of the Board, which has the authority of the Board. All such changes will be communicated to members of the Board within a reasonable time after they are made. In the event of any conflict or inconsistency between the Bylaws and the Policy and Practice Manual, the provisions of Bylaws supersede the Manual.

Role and Function of the Board of Directors

- The Board of Directors of the Jewish Vocational Service leads JVS in fulfilling its mission, helping people build skills and finding jobs, and deepening JVS's impact in the community, by setting strategy and generating the resources to achieve that strategy.
- Composed of leaders from the business and philanthropic community, JVS board members bring their unique perspectives on economic, business, policy and philanthropic trends to drive JVS's strategy and business development. Board members also contribute their unique professional skills in providing technical assistance to JVS; board members advise staff on legal and compliance issues, business development, policy development, and work directly with JVS clients as volunteers and mentors.
- Well-informed and passionate about JVS and the success of JVS clients, board members work as ambassadors for JVS, making connections and introductions to generate financial support, partnerships, job opportunities and new leadership, within their businesses, professional and personal networks.
- The Board of JVS works in close partnership with the management of JVS. All corporate powers are exercised by the Board or through the delegated authority of a committee of the Board which, pursuant to the Bylaws, has the authority of the Board. In all cases, such committees of the Board are subject to the ultimate direction of the Board. Advisory committees, which do not have the authority of the Board, make recommendations to the Board directly or through committees with Board authority, and otherwise assist the Board in carrying out its responsibilities.
- The Board of JVS has the fundamental responsibility of overseeing JVS' fulfillment of its mission to the community. To this end, the Board sets direction for the agency, provides financial oversight, establishes policy, and ensures the agency's resources for carrying out its mission.

Core Functions of the Board of Directors:

Fundraising and Development:

- JVS's success in meeting its mission and impact relies on the financial resources generated by board members. We welcome and appreciate board members who use their connections and influence to help secure corporate and foundation gifts, but each board member is expected to make a personal gift as well.
- The board's commitment to personal generosity will inspire others and set the standard of generous giving. Each board member should make the most generous personal gift their circumstances allow. While some board members have the capacity to make very large gifts, all board members have the capacity to be generous given their circumstances. We celebrate the generosity of all board members to establish a high standard of generosity for the entire community by setting an ambitious but attainable goal for giving by their related corporate and foundation entities
- Every board member should be involved in at least one or more JVS fundraising activities. Those activities may include:
 - Introducing prospective donors to JVS
 - Adding names to the JVS mailing list

- Working on JVS fundraising events (including, but not limited to Strictly Business)
 - Signing personalized solicitation letters
 - Signing thank you letters
 - Making thank you phone calls
 - Participating in donor cultivation meetings
 - Hosting small donor cultivation events at home or office
 - Soliciting prospective donors face-to-face, etc.
- Each board member is expected to meet in person each year with a board colleague and/or staff to discuss their financial commitment to JVS and their personal work plan for development activities.
 - Because fundraising is critical to advance our mission, it is the staff's responsibility to prepare an annual fundraising plan and it is the board's responsibility to approve the plan and to periodically review progress against goals, etc.
 - All board members are welcome to serve on JVS's Development Committee whose responsibility is to oversee progress of the fundraising plan, serve as resources for staff and to lend their support to fundraising activities.

Strategic planning and performance evaluation:

- The Board of JVS engages in a regular strategic planning process in which it analyzes economic, demographic and policy trends and develops strategies to sharpen and deepen JVS's impact. The Board works with staff to evaluate program performance and continuously improve program quality and impact.

Fiscal oversight:

- The Board of JVS ensures that resources are managed in a fiscally sound and responsible manner. To this end, the Board establishes and monitors the agency's annual budget, sets financial and personnel policies, reviews financial performance, engages auditors, and establishes investment policies

Selection and support of Executive Leadership:

- The Board selects the Executive Director and evaluates executive leadership with continuous informal feedback and formal annual evaluations. The Board supports a strong executive leadership team to ensure JVS program and operational success and plans for executive transition through long-range and emergency succession planning.

Board Development:

- The Board of JVS works actively to ensure a committed and effective and dynamic board of directors, through the recruitment and cultivation of individuals with the skills and connections JVS needs. The Board provides information and training to develop and inspired members and to assess its own performance and the participation of individual board members on a regular basis.

Nomination and Election of Directors of the Board

Number of Board Members and Summary of Board Terms

The JVS Bylaws authorize a minimum of three (3) and maximum of thirty (30) Directors. In accordance with California law, the Board is prohibited from seating more than 49 percent of Directors at any one time who are “interested persons” under Section 5227 of the California Corporations Code, which includes anyone who is currently compensated by JVS for services rendered within the previous 12 months, or any brother, sister, spouse, or relative-in-law of such person.

On an annual basis, the Board Development Committee, in conjunction with the Executive Committee, evaluates the skills and affiliations needed by the Board for the following fiscal year, after determining the number of Board members who will be termed-out and otherwise not returning, and conducts new Board member recruiting efforts.

Board Director Expectations

- Embrace and articulate the JVS mission, values and program strategy.
- Make a generous and meaningful personal contribution to JVS; help secure corporation and foundation gifts; fully participate in cultivation and fundraising activities.
- Fully understand JVS programs, budgets and financial statements.
- Serve as an advocate and ambassador for JVS: for funding, for employment opportunities, for community relations and new partnership and program development.
- Fully participate in board meetings and strategy sessions,
- Promote, and participate in Strictly Business and JVS events including graduations, program events and volunteer activities.
- Participate in at least one board committee, through active attendance, preparation, timely and substantive questions and analysis, and special projects and tasks.
- Provide technical assistance to JVS staff in areas of professional expertise
- Comply with the Board code of ethics and guidelines set by public funding sources and CARF accreditation

Board Director Nominations and Election

The Board Development Committee plans and manages the Board recruitment process with support from the Executive Director. (The Bylaws authorize the President at his or her discretion to appoint a nominating committee for this purpose, but this typically is not done.) The identification and ultimate election of Directors is a several-step process, usually conducted on an annual basis, although the JVS Bylaws allow for filling Director vacancies at any time as the President or Executive Committee deems appropriate.

Annual Assessment of Board Composition

- *Returning Board Members.* The Board Development Committee confirms that Board members whose first and second 2-year terms are expiring intend to run for re-election to the Board.
- *Strategic Board Planning.* The Board Development Committee , on an annual basis, assesses the skills, connections and affiliations of current Board members, and analyzes gaps and then sets priorities for Board recruitment, to support JVS's mission and current strategic goals.

Identification of Board Nominees

- The Board Development Committee seeks to identify prospective Board members from JVS current committee members, as well as the community at large, who possess the desired qualifications and appear to be promising Directors.
- The Board Development Committee solicits recommendations for Director nominees from JVS committee chairs and other Board members.

Board Recruitment and Interview Process

- The Board Development Committee develops a list of potential Director nominees for recruitment and sends the list to the Board for vetting before contacting potential nominees.
- Members of the Board Development Committee and the Executive Director contact potential nominees to assess initial interest.
- Interested potential nominees are interviewed by the Board President or Chair of Board Development Committee, or another Board member, with Executive Director. The interview addresses expectations of Board members, descriptions of Board practice and committee structure, and asks about professional and community experience, as well as the candidate's motivation for Board participation and ways to contribute.
- Potential nominees may be invited to attend the annual Board strategy session or other Board meetings, as a way of meeting Board members and management staff and gaining exposure to JVS' strategic issues and ways that issues are addressed.

Process for Election

- The Board Development Committee sends the slate of nominees to the Board at least 1 week before the June Board meeting (or at least 1 week prior to the last Board meeting of the fiscal year if not June), with brief biographical information about each nominee. The Board votes on the slate of nominees at the June Board meeting (or last Board meeting of the fiscal year) for 2-year terms beginning July 1. New board members may be nominated at other board meetings, with the same notice required.
- Newly elected Board members are informed of their election within one week of the Board meeting at which the election took place, in a letter that also confirms:
 - a. Dates of Board term
 - b. Dates and plans for new Board orientation
 - c. Dates for Board meetings for fiscal year
 - d. Name of Board partner
 - e. Expectations of Board partner role

Board Vacancies and Removal

Vacancies

- A vacancy in any Directorship caused by (i) an increase in the number of authorized Directors; (ii) a Director's death, illness, resignation, removal, or declaration of a vacancy by the Board based on a court's adjudication of the Director (a) to be of unsound mind, (b) to have breached any Standard of Conduct under Article 3 of the Nonprofit Corporation Law for Public Benefit Corporations (starting with Section 5230 of the California Corporations Code, including a breach of the Director's duties to act in good faith and in the best interests of JVS, to avoid self-dealing transactions, and to not be reckless or grossly negligent); or (c) as convicted of a felony, may be filled at any regular or special meeting of the Board at which a quorum is present by a majority vote of the Directors in attendance at the meeting.
- The process for nomination and election to fill such vacancy is the same as the process for the annual election of Directors described in earlier sections of this manual, except that the time frames for soliciting and submitting the nominees may be shortened as determined reasonably necessary by the President or the Executive Committee. A Director elected to fill a vacancy will serve for the remainder of the unexpired term and will be eligible to serve for additional terms as provided in the Bylaws. For this purpose, the remainder of the unexpired term served does not constitute the first term served.

Removal

- *Without Cause* A Director may be removed from office without cause by a majority vote of all of the Directors then in office.
- *For Cause* The San Francisco Superior Court may remove a Director from office for cause if another Director brings a lawsuit to which JVS is named as a party, upon finding the Director in question to be involved in fraudulent or dishonest acts, gross abuse of authority or discretion or breach of any of the duties referenced above in Section 4(a), Vacancies. In addition, the Attorney General may bring an action or intervene in any action described in the preceding paragraph to remove a Director.

Officers

Officers

JVS officers are President, one or more Vice Presidents, Secretary and Treasurer. To be eligible to serve as an officer, the candidate must be a duly elected member of the Board.

Responsibilities of All Officers

In addition to the specific responsibilities of each office as described below, all officers are members of the Executive Committee and have the following responsibilities in connection with their Executive Committee roles:

- Attend Executive Committee meetings.
- Perform tasks associated with achievement of the Executive Committee's goals, including:
 - Oversee progress on the strategic plan and achievement of annual priorities.
 - Oversee JVS board performance of its oversight and fiduciary responsibilities.
 - Oversee committee progress and achievement of committee goals.
 - Provide mentorship and leadership development of JVS Board members.
 - Advise and evaluate performance, and set compensation, of Executive Director.
 - Review performance and compensation of Director of Finance.
 - Oversee and advise Executive Director on succession planning.
 - Chair board committee as applicable.
 - Serve as ambassador and advocate for JVS in multiple communities and settings, including meetings with public officials and cultivation of major donors and business leaders.
 - Provide technical assistance to JVS staff in areas of individual expertise.

President

The President is responsible for the following, in addition to the President's responsibilities with respect to the Executive Committee:

- Provide general oversight and direction for the affairs of JVS, subject to the limitations of and in accordance with, the Bylaws, resolution of the Board and/or applicable California law.
- Perform the duties as are customarily designated to the President of a public benefit non-profit corporation as necessary and appropriate to the operation of the corporation.
- Lead the direction of the Board of Directors on annual and ongoing basis, by among other things, leading the establishment of Board goals, facilitating Board member leadership development and tracking the accomplishment of Board goals.

- In partnership with the Executive Committee, lead the planning of JVS' committee structure; appoint JVS committee chairs and assist with committee planning and activities as appropriate.
- Plan, convene and chair JVS Board and Executive Committee meetings and Board Strategy sessions.
- Provide leadership to JVS' fundraising and development programs annually and for the long term, including solicitation of major gifts and cultivation of major donors.
- Provide direction and leadership in advocating for JVS in the community at large and with government and private funding entities.
- Conduct annual evaluation of Executive Director, in consultation with Executive Committee, with input from senior staff and community leaders.

Vice President

The Vice President is responsible for the following, in addition to the Vice President's responsibilities with respect to the Executive Committee:

- Act as President in absence of President.
- Perform such duties as delegated by the President.
- Chair one or more JVS committees.
- Perform the duties as are customarily designated to a Vice President of a public benefit non-profit corporation as necessary and appropriate to the operation of the corporation and as imposed or limited by the Board, the Bylaws and applicable law.

Secretary

The Secretary President is responsible for the following, in addition to the Secretary's responsibilities with respect to the Executive Committee:

- Verify and sign Board minutes and Board documents and resolutions.
- Maintain or cause to be maintained a complete record of minutes of the Board and of Committees of the Board that have Board authority.
- Perform the duties as are customarily designated to the Secretary of a public benefit non-profit corporation as necessary and appropriate to the operation of the corporation and as imposed or limited by the Board, the Bylaws and applicable law.

Treasurer

The Treasurer is responsible for the following, in addition to the Treasurer's responsibilities with respect to the Executive Committee:

- Chair Finance and Operations Committee.
- Oversee presentation to the Board of (i) such financial reports as required by the Board, the Bylaws and/or applicable law; (ii) an annual budget for JVS which shows the

prospective receipts and expenditures and (iii) such other financial information as is required by the Board.

- Cause to be maintained adequate and correct books and accounts of the JVS' properties and transactions.
- Review summaries of the books of records and accounts regarding the financial status of JVS and of amounts JVS has collected and expended.
- Report to Board of Directors on the financial performance of JVS.
- Provide guidance to JVS staff financial team.
- Perform the duties as are customarily designated to the Treasurer of a public benefit non-profit corporation as necessary and appropriate to the operation of the corporation and as imposed or limited by the Board, the Bylaws and applicable law and as imposed or limited by the Board, the Bylaws and applicable law.

Terms

Officers are elected to serve for terms of 2 years. Officers may serve a maximum of 2 two-year terms. At the end of the second term, if a board member has not exhausted his or her board term, he or she will be invited back to the board to serve the remainder of his or her term. If the member has exhausted his or her term, he or she will be invited back to the board to serve one more two-year term

Nomination and Election Process

- Officer elections are held annually at the same time as the election of Directors, or any interim election, unless an election is necessary to fill a vacancy. This is usually the last Board meeting of the fiscal year. Officers whose terms have expired and who wish to continue to serve must stand for re-election.
- The Board Development Committee generally plans and manages the officer recruitment process with support from the Executive Director. (The Bylaws authorize the President at his or her discretion to appoint a nominating committee for this purpose, but this typically is not done.) The identification and ultimate election of officers is a several-step process.
 - Annual assessment of officers to be elected and solicitation of nominees
 - *Returning Officers:* The Board Development Committee confirms whether current officers whose terms are expiring intend to stand for re-election.
 - *Solicitation of Officer Nominations:* The Board Development Committee solicits officer nominations from members of the Board and from other sources. The request for nominees is accompanied by a list of the offices to be filled and description(s) of the respective position(s). The solicitation is done sufficiently in advance of the date of the election as the Board Development Committee considers reasonable.
 - Process for Election

- The Board Development Committee identifies nominees for officer positions, based on the skills and affiliations desired by the Board, as well as any prior performance as an officer and/or board member
- The Board Development Committee sends the slate of officer nominees to the Board at least one week before the June Board meeting (or whenever the last Board meeting of the fiscal year takes place if not in June) to afford the Board an opportunity to consider the nominees.
- The Board votes on slate of officer nominees at June Board meeting for 2-year terms beginning July 1 (or whenever the last Board meeting of the fiscal year takes place if not in June).
- Officer nominees are informed by letter of their election and the dates of their term within one week of the Board meeting at which the election took place.
- Vacancies, Removal: Any vacancy in any office caused by death, illness, resignation or removal of an officer may be filled at any regular or special meeting of the Board. Each officer elected to fill a vacancy is expected to serve for the remainder of the unexpired term and will be eligible to serve for unlimited additional terms, unless otherwise provided in the Bylaws. The nomination and election of the officer to fill the vacancy is handled in same manner and time frames as provided above for the nomination and election of officers, except that the time frames for solicitation and submission of nominees may be shortened as determined reasonably necessary by the President or Executive Committee. Following the vote, the President notifies the newly elected officer in writing of his or her election, confirming the position and term, which commences immediately upon such election.

Meetings

Scheduling

In July the Executive Committee schedules Board meetings for the fiscal year and sends the schedule to Board members so that they can calendar Board meeting dates for the full year.

Use of Board Planning Calendar

As part of its Board planning function, the Executive Committee, develops an annual Board planning calendar. The calendar reflects all Board meetings and aspects of Board governance that are to be addressed at Board meetings, either as a matter of legal or regulatory requirements or in connection with JVS Bylaws or policy. This tool enables the Executive Committee to anticipate the year's Board meetings and plan agendas, ensuring that all aspects of Board governance and relevant Board education will be addressed throughout the year.

Agenda Planning

Executive Committee meetings are scheduled within a month before Board meetings, so that the Executive Committee can plan the upcoming Board meeting agendas.

Notice, Timing, Email

- Although Board meetings are pre-scheduled for the year, JVS staff sends reminder notices to the Board via e-mail approximately one month before the scheduled meeting, to confirm, among other things, attendance and the presence of a quorum.
- JVS staff sends meeting agendas, with supporting materials to the Board members via e-mail at least one week before the scheduled meeting. Agenda items requiring a Board vote are highlighted. (Sample agenda attached in Appendix)

Participation via Telephone or Video Conferencing

Board members may participate in meetings via telephone or video conferencing or other electronic communications equipment, and be considered present at the meeting provided:

- All Directors participating can hear one another and communicate concurrently with all other Directors during the meeting; and
- Each Director is provided with or has the means of participating in all matters before the Board, including the capacity to propose or to object to, actions to be taken by the Board.

Quorum, Voting

Number of Votes

Directors each are entitled to have one vote. Each Director is entitled to vote in person or by proxy as described below in Section 7 (d)

Action of the Board: Simple Majority Vote

Except in the situations described below, the vote of a majority of the Directors present at a meeting at which a quorum is present constitutes the action of the Board.

Situations Requiring Other than Simple Majority Vote

- *Actions by Written Consent.* Actions may be taken by the Board without a meeting, provided all Directors then serving give written consent to such action. The Bylaws authorize written consent to be effected by email. (Article VIII, Section 8.)
- *Appointments to Committees of the Board.* Directors may be appointed to Committees of the Board (i.e. committees with authority of the Board) by a vote of a majority of the directors then in office.
- *Actions by Committees of the Board.* In order for actions by Committees of the Board to constitute actions of the Board, the vote must be by a vote of two-thirds (2/3) of all of the voting members of such Committee of the Board.
- *Self-Dealing Approval.* Transactions to which JVS is a party and in which one or more Directors has a financial interest must be approved by a majority of the Directors then in office, not including the interested Director(s).
- *Mutual Directors.* Approval of contracts between JVS and any entity of which a Director of JVS is also a director must be approved by the Board or a Committee of the Board by a vote that is sufficient without counting the vote of the common Director.
- *Indemnification.* Indemnification of a Director that requires a vote of the Directors must be made by a majority of a quorum that consists of Directors who are not parties to the proceeding for which indemnification is requested.
- *Removal of Director Without Cause.* Directors may be removed without cause only by a vote of a majority of all of the Directors then in office.
- *Board Resolution.* The Board may adopt resolutions that require a vote of more than a majority of the Directors.

Voting by Proxy

Each Director may vote by one or more agents authorized by written proxy, provided the proxy specifies the nature of the specific matter for which such proxy is given and is signed by the person giving the proxy. A proxy is deemed signed if the Director or the Director's duly authorized attorney-in-fact manually signs the proxy, or it is typewritten and it is sent by facsimile transmission, electronically or otherwise.

Actions without Meeting

Any action that the Board is required or permitted to take pursuant to the provisions of the California Corporations Code, the Articles of Incorporation, or the Bylaws may be taken without a meeting, if all Directors consent in writing to the action to be taken. The written consent must be filed with the Board minutes and other Board proceedings. Actions by a written consent have the same force and effect as a unanimous vote of the Directors.

Adjournment

A majority of Directors present at a meeting, whether or not a quorum is present, may vote to adjourn the meeting to another time and place.

Minutes, Time Frame, Approval Process, Access to Minutes

- JVS staff forwards minutes of Board meetings to Board members within a week prior to the next Board meeting, after review and signature by the Board Secretary. (Sample minutes in Appendix)
- The Board approves each Board meeting's minutes at the subsequent Board meeting.

Compliance with SF Sunshine Ordinance

JVS has contracts with the City and County of San Francisco which require compliance with the San Francisco Sunshine Ordinance. This ordinance requires that at least two Board meetings each year be open to the public, with notice posted in a public place, such as the San Francisco Main Library.

Compliance with 1.126 of the San Francisco Campaign and Governmental Conduct Code

JVS has contracts with the City and County of San Francisco, the San Francisco Unified School District and City College of San Francisco which require compliance with the San Francisco Ethics Commission Regulation 1.126. This ordinance requires that JVS notify members of the Board of Directors at the time of contract negotiation that they are prohibited from making a campaign contribution to the elective officers or candidates of the specified elected bodies that approved the contract, for six months from the date of the commencement of contract negotiations until the termination of negotiations or after six months have elapsed from the date the contract is approved.

Committees

The JVS Board of Directors conducts much of its business and fulfills much of its responsibility through committees which report directly to the Board. Committees may have explicit authority delegated by the Board or may be advisory in nature. The broad and robust committee structure fosters deep and focused work on specific tasks and issues and enables the Board as a whole to devote more of its meeting time to strategic and generative discussion rather than operational business. The Board decision matrix, attached in the appendix, identifies authority for the most frequent and annual decisions made by the Board.

Committees with Authority of the Board

- The Bylaws establish specific committees which have the authority of the Board for explicitly delegated functions and decisions. The Bylaws establish limits of this authority and identify actions that can be taken only by the full Board, including approval of the annual budget, amending Bylaws and filling Board vacancies.
- The Bylaws establish rules for the meetings and actions of Committees of the Board, and require that each Committee of the Board report to the full Board any action taken that otherwise would be taken by the Board.

Specific committees with Authority of the Board are:

1. Executive Committee

- The Executive Committee is comprised of the officers of the Board, and has full power and authority of the full Board in the oversight of the business and affairs of JVS, as limited by the Bylaws. The Bylaws authorize the Executive Committee to evaluate and set the Executive Director's annual compensation, to approve the annual compensation of the Director of Finance, and to approve contracts that require Board approval other than those explicitly described in the Bylaws, such as approval of the audit firm.
- The President of the Board serves as chair of the Executive Committee, which meets 5-6 times each year, usually in the months between full Board meetings. In addition to the actions described above, the Executive Committee supports the successful accomplishment of JVS's strategic and annual goals. It reviews the committee structure on an annual basis and establishes committees to support the agency in its efforts to fulfill its strategic and annual goals. The Executive Committee also monitors committee work to evaluate progress in meeting goals. The Executive Committee plans full Board meeting agendas and leads the evaluation of the Board's annual work.
- The Executive Committee works in close partnership with the JVS Executive Management Team, which is invited to participate in all Board and Executive Committee meetings. Through this collaborative work, the organization's volunteer and professional leadership form an effective team to identify and anticipate challenges and opportunities and work together to respond to them.
- The Executive Committee addresses succession planning, updating the JVS succession plan on an annual basis, to enable continuity of leadership in the event of an emergency or planned short-term or long -term leave of the Executive Director. The close partnership between the Executive Committee and the Executive Management team creates a strong leadership group designed to ably steer JVS in the transition to new executive leadership.

2. Audit Committee

- The Audit Committee, as described in the Bylaws, provides assistance to the Board in fulfilling its financial oversight responsibilities. The audit committee oversees the agency's annual audit and makes recommendations to the Board on the selection of the audit firm and the acceptance of the results of all internal and external audits. The Audit Committee is comprised of at least 3 Board members, and may include other qualified persons, who are non-voting members. All members must be considered independent of JVS and not accept any fee from JVS. The Bylaws spell out the specific duties of the Audit Committee, as well as limitations on its authority.

3. Finance and Operations Committee

- The Finance and Operations Committee is responsible for overseeing the financial management of JVS and for recommending the annual budget to the Board for approval. The Finance and Operations Committee reviews and monitors financial reports, policies and procedures and reports to the Board on the financial health of the organization. The Finance and Operations Committee, through its Investment Subcommittee, sets direction and monitors results of the agency's investments. By virtue of giving the Finance and Operations Committee delegated authority to oversee the financial management of JVS, the Bylaws authorize the Finance and Operations Committee to approve the agency's annual line of credit renewal, and to approve, retain and terminate legal counsel and other professional experts, with the exception of the independent auditor of JVS. The Finance and Operations Committee also works in partnership with agency management to addresses business operations, such as human resource policies and practices, health care and pension benefits and space and occupancy.
- The Bylaws specify the composition of the Finance and Operations Committee, which must have at least 3 Board members and may have other qualified members, who are non-voting members.

Advisory Committees

- The Bylaws authorize the Board and the Executive Committee to establish committees that are advisory only, which may make recommendations to the Board and otherwise assist the Board in carrying out its responsibilities and in supporting the activities of JVS. These committees do not have the authority of the Board, and appointments of members to advisory committees are not subject to the requirements of the Bylaws regarding membership of Committees of the Board.
- Consistent with best practices, the Board, through the Executive Committee, reviews the advisory committee structure at the beginning of the fiscal year in July, after the Board has evaluated progress on the JVS strategic plan and adopted annual priorities. This review is intended to align the scope of advisory committees' responsibilities so that they support the agency in fulfilling its annual goals and priorities.
- Advisory committees fulfill several important functions for the Board; in many cases, they execute on the responsibilities of the Board, such as orientation of new Board members and planning events. Advisory committees enable their members, who can include individuals from the community as well as Board members, to work on specific projects and tasks too specialized for the full Board. Recruiting individuals from the business and general community brings new and often specialized skills to help JVS, such as with performance measurement, communications and public policy. In addition, the

advisory committees offer a pipeline for leadership development, often through the initial involvement of individuals with JVS, which can lead to Board participation. In fact, most new Board members are recruited from the advisory committees.

- The chairs of advisory committees are appointed by the President or the Executive Committee and the members of advisory committees are appointed by the respective chair. Active recruitment of committee members, based on identified skills and affiliations, helps enable committee success and builds a pipeline for future Board leadership.

Guidelines for Effective Committee Practice

- Best practices developed over JVS's history support the success of committee work and the satisfaction of committee members. Each committee has a staff liaison, usually a JVS manager, who works closely with the committee chair or co-chairs to set annual committee goals, plan meeting agendas and evaluate progress on committee work throughout the year. This staff liaison also provides the administrative support for committee functions, so that committee members can focus their time and effort on the substantive work of the committee. These tasks include coordination of meeting scheduling, timely notice of agendas, clear and thorough supporting materials and the production and distribution of meeting minutes and summaries. This liaison role offers professional growth and development to agency managers as well as fostering smooth and effective committee function.
- Best practices also encourage close partnership between committee chairs and staff liaisons, in planning and evaluating committee work and individual meetings, in recruiting new members, monitoring progress on goals, and in accomplishing work that moves JVS forward. JVS has developed a culture of mutual respect between volunteers and staff, and among volunteers, which enhances productive work builds community, and deepens connection to JVS and its mission.

Specific Guidelines

Annual Goal Setting and Evaluation

- Each committee sets annual goals for its work, either at the end of a fiscal year or the beginning of a new fiscal year. These goals should align with the JVS strategic and/or annual priorities and are sent to the full Board before the first Board meeting of the year, usually in late September or early October. Annual goals differ from committee "job descriptions," although some committees perform consistent annual functions.
- Highlights of progress toward goals are sent to the full Board in December, and a summary of results compared to goals are sent to the Board in June. This summary of committee work then becomes the tool for evaluating the Board's effectiveness for the year.

Planning and Follow Up

- Each committee schedules meetings for the full fiscal year before the first Board meeting. Although circumstances sometimes dictate a scheduling change, scheduling the full year's meetings in advance enables committee members to plan their time and enhances attendance and participation.

- Meeting agendas and supporting materials should be sent to committee members at least one week before the scheduled meeting, so that committee members have adequate time for review.
- The staff liaison, in consultation with committee chairs, sends a summary of the meeting to members within a week of the meeting. This summary includes next steps and work to be conducted before the next meeting. This practice provides continuity to committee members unable to attend the meeting and serves as documentation of committee work.

Reporting to the Board

- In performing much of the work of the Board of Directors, the committees have accountability to the Board for their work. In addition to semi-annual summaries of progress and results compared to goals, committees present their work at Board meetings. Building committee work into Board agendas gives all Board members information, insight and input into the work of committees in which they are not directly involved. Bringing updates, progress reports and questions to the full Board gives feedback and direction to the individual committees.

Emails Constitute Writings

Any notice, consent, proxy or other action or form that is required to be in writing may be given, taken or made by email electronic transmission ('email'), provided (i) any email sent to an Officer or Director is addressed to the Officer or Director at his or her email address as it is shown on JVS' records for purposes of notice; (ii) the recipient has consented to the use of email, (iii) JVS has implemented reasonable measures reasonable measures to verify that the sender is the Officer or Director sending the message (such as requesting the Officer or Director to provide their email address), (iv) the email creates a record that is capable of retention, retrieval, and review, and that may later be rendered into clearly legible, tangible form, and (v) the email is not otherwise prohibited by the Articles of Incorporation, Bylaws, resolution of the Board or applicable law.

Records, Reports, Inspections, Access to Staff

- In accordance with the JVS Bylaws, copies of the Articles of Incorporation and the Bylaws, as well as amendments, are kept at the JVS office and are available for inspection by any member of the JVS Board, or his or her agent, at any reasonable time.
- Similarly, accounting records and minutes of proceedings of the Board and any Committee of the Board are kept at the JVS office or in other locations if designated by the Board. The accounting records and minutes may be kept in written form or in a form readily converted into tangible records.
- Any member of the JVS Board, or his or her agent, may inspect the books, records, documents and property of JVS at any reasonable time. Board members may also copy or make extracts of documents.
- Members of the JVS Board receive an Audit Report within 120 days after the close of the fiscal year. The report may be transmitted electronically and includes the following information:
 - The assets and liabilities, including the trust funds, of JVS as of the end of the fiscal year.
 - The principal changes in assets and liabilities, including trust funds, during the fiscal year.
 - The revenue or receipts of JVS both unrestricted and restricted to particular purposes, for the fiscal year.
 - The expenses or disbursements of JVS both for general and for restricted purposes during the fiscal year.
 - A report by independent accountants, or, if there is no such independent report, a certificate of an authorized officer specifying that the report was prepared without an audit of the books and records of the corporation.
 - Any additional information required by applicable law.

Access to Staff

Effective partnership between the JVS Board and management rests on close and open communication. JVS Executive Management Team members participate in all Board meetings and Executive Committee meetings. Other JVS managers participate as needed and when invited, for presentations and relevant discussions. JVS managers also support the work of the Board committees as committee liaisons, described above, and work closely with committee chairs. Board members are welcome to contact JVS management staff directly with questions or suggestions at any time.

Risk Management

Risk Management Philosophy

Underlying the mission of JVS is a concern for the well-being of our clients, volunteers and employees in the organization. Protecting the health, safety, and security of the people who serve and receive services is an integral part of everything we do. In keeping with this philosophy, we choose our services and activities with our clients' needs in mind and we select staff with care and ensure they are trained to carry out their work with a high degree of safety.

Risk Management Goals

JVS seeks to involve appropriate personnel at all levels of the organization in the identification of risks and creation of practical strategies in order to make certain that the organization's approach to risk management considers diverse perspectives and staff understand their roles and responsibilities in protecting the mission and assets of the organization.

General Principles

- JVS strives at all times to operate in compliance with local, state, and federal laws and regulations.
- JVS bears responsibility for the health, safety, and security of service recipients. This is a primary responsibility of the Board of Directors, Executive Director and all Program Staff.
- Safety and risk management activities are multi-faceted and include:
 - Thoughtful screening, selection and training of operational volunteers and employed staff.
 - Creation and enforcement of policies, standards, guidelines, and procedures as guides for planning.
 - Maintaining safe and secure facilities.
 - Establishing procedures to be followed in the event of an emergency.
 - Maintaining clear communication channels.
 - Purchasing insurance coverage as a financing mechanism for certain risks, recognizing, however, that insurance is not a substitute for vigilance in planning and implementing programs.

Responsibility for Risk Management

Finance and Operations Committee

- Sets risk management goals, adopts annual operating objectives and budget with risk management included.
- Adopts annual capital budget with risk management in mind.
- Reviews operational reports to determine compliance and future priorities.
- Ensures compliance with policies and standards imposed by any accrediting/auditing organizations.
- Adopts and establishes policies and standards.
- Reviews the organization's insurance program periodically.
- Reviews the organization's risk management plan annually.

(Please refer to the Risk Management Plan for a complete description of Risk Management policies, procedures and safeguards.)

Fiscal Oversight/Business Practices

- Operating budget: as described in Section 8 a (iii), The Finance and Operations Committee reviews staff projections for the annual operating budget in March or April, before the start of the new fiscal year on July 1. These projections include recommendations for potential staff salary increases, pending available revenue. As described in the JVS Personnel Policies and Procedures Manual, salary increases are determined by management and are based on staff performance, available funding and market conditions. Based on updated information on revenues and expenses, the Finance and Operations Committee reviews revised salary and non-salary projections in June and presents a recommendation for the annual operating budget to the full Board at its June meeting (or the last meeting of the fiscal year). Budget documents are included in the packet sent to the Board of Directors one week before the meeting. The annual operating budget must be approved by a simple majority of Board members present at a meeting at which a quorum is met.
- Each quarter the Finance and Operations Committee reviews actual revenues and expenditures compared to the operating budget, based on financial reports prepared by JVS staff. The Finance and Operations Committee presents budget performance to the Board of Directors at least semi-annually, and advises the staff on budget management as appropriate.

Disbursement of funds

The Board delegates the responsibility for disbursement of funds to JVS management, in accordance with JVS Accounting Policies and Practices, which are reviewed by the Finance and Operations Committee. These policies set limits on the approval of expenses for each level of management within JVS, as well as additional approval processes for disbursements over \$10,000. Check signing authority is limited to the Executive Director, the Director of Programs, the Director of Business Development, and the President and Treasurer of the Board of Directors.

Investment

As described in Section a (iii) 1, the Finance and Operations Committee, through its Investment Subcommittee, or acting as the full Finance and Operations Committee, sets direction and monitors results of the agency's investments. The Investment Subcommittee develops investment guidelines, which are approved by the Finance and Operations Committee. The Finance and Operations Committee selects the investment advisor (s) for JVS and may invite these advisors to its meetings to report on investment results and trends.

Audit

- The annual audit is usually conducted in September, following the close of the fiscal year on June 30, and the results of the audit are presented to the Board at the first or second meeting of the fiscal year. As described in the By-laws, Article VI, Section 4, JVS shall provide to the Directors, within 120 days after the close of the fiscal year, an audit report containing all of the following information in reasonable detail:
 - The assets and liabilities, including the endowment fund, of the corporation as of the end of the fiscal year.
 - The principal changes in assets and liabilities, including trust funds, during the fiscal year.

- The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.
- Any information required by California Corporations Code section 6322, regarding transactions with interested persons and indemnifications and any other information required under applicable California and Federal law.
- The audit report shall be accompanied by a report by (an) independent accountant(s).

The audit report may be sent by electronic transmission that complies with California Corporations Code Section 20.

Delegation of authority to Executive Director for disbursements and contracts

The Board Resolution passed by the Board of Directors on September 27, 2005 delegates authority to the Executive Director , the President of the Board or the Secretary of the Board to execute any contracts or other instruments that do not obligate the corporation to expend an amount of \$100,000 and which are not longer than three (3) years in duration. No deed, mortgage bond, contract or other instruments which exceeds the aforementioned amount shall be executed until the Board has approved its execution. Instruments so approved may be signed by the Executive Director, President of the Board or Secretary of the Board.

Contracts

The By-laws state that all contracts that require execution by the corporation shall be signed by the President or Secretary, or such other person or persons, which may include employees of the corporation, as the Board may designate. The Board of Directors has authorized the Executive Director to sign contracts, with limits set in the Board Resolution of September 27, 2005 and described above. The By-Laws, in Article V, Section I, D (1) b, authorize the Executive Committee to) approve contracts that require Board approval other than (a) contracts for the independent accounting firm which (requires the approval of a majority of the Directors then serving) and (b) contracts for which Committees of the Board otherwise do not have authority of the Board under these Bylaws.

Use of external advisors

The Board of Directors frequently enlists the services of external advisors, on a paid or pro bono basis, to provide specific services, advice, guidance or technical assistance. These may include the annual financial audit, compensation studies, consultation on strategic planning, meeting facilitation, human resources advice or fund-raising consultation. External advisors can bring expertise not available among board members, as well as outside perspectives that can deepen the effectiveness and impact of the Board of Directors.

Interaction with outside parties

The Board's interaction with outside parties can also deepen its effectiveness and impact. The Board and its committees frequently invite outside guest speakers to provide information and perspectives on trends such as economic projections and public policy changes that may affect the work of JVS. Consumers of JVS programs and services may also be invited to Board meetings to describe their experiences at JVS. Board members may also participate in classes, programs and conferences on board governance practices, as part of continuous improvement in building excellence as a best practice board.

Planning and Oversight

Strategic planning

- At the start of the fiscal year in the final year of the strategic plan, the President, working in close consultation with the Executive Director, appoints a Strategic Planning Committee, as an advisory committee to the Board. This committee, led by a chair (or co-chairs) who are members of the Board, includes JVS staff, as well as individuals who are not members of the Board. This committee encourages input and participation from diverse stakeholders. Including public, foundation and other partners broadens the committee's perspective, enriches the quality of analysis and discussion, and deepens the connection and commitment of these partners to JVS.
- The Strategic Planning Committee may also engage outside consultation, on a paid or pro bono basis, to help design and guide the planning process, facilitate meetings, and facilitate JVS's use robust and current planning tools and practices. . The strategic planning process typically includes an analysis of the external environment which will affect the work of JVS: economic, labor market, demographic and public policy trends; a competitive analysis of the local market; and, identification of best practices in the workforce development field across the country. Key stakeholder interviews, usually conducted with funding and community partners, Board members and employers yield rich information on perceptions of JVS, trends and opportunities. In addition, surveys and focus groups with current and former clients provide invaluable customer feedback on the quality and consistency of services.
- JVS staff participate actively in the strategic planning process, through involvement on the Strategic Planning Committee, and through regularly scheduled department and all-staff meetings. . The Strategic Planning Committee brings strategic planning recommendations to the full Board in June for adoption.
- Although the strategic plan sets broad directions over a longer planning cycle, typically three years, the JVS Board also identifies a set of annual priorities in implementation of the strategic plan. The Executive Committee, working closely with management staff, identifies these annual priorities and presents them to the Board at the last meeting of the fiscal year, usually in June. Progress on these priorities is presented to the Board throughout the year, through presentations at Board meetings and semi-annual written summaries of progress compared to goals.
- These annual priorities become the framework for the annual work-plan, which is developed, managed and evaluated by JVS staff. Through this plan, departmental and program objectives align with the agency's board-approved annual priorities. The Performance Outcomes Committee, another advisory committee of the Board, works closely with staff to develop and implement performance measurement tools and evaluate performance on a quarterly basis.

Public Policy positions

- Article VIII, Section 5 of the By-laws prohibits JVS from taking public positions on public policy issues and from engaging in lobbying efforts unless such issues directly affect the agency's purpose or funding as reasonably determined by the Board or by the Executive Committee, in either case with the participation of the Executive Director, provided that any such public and lobbying activities are limited to an insubstantial part of the corporation's activities. The Executive Director shall report to the Board any such activities engaged in by the corporation at the Board meeting next

following such activity, or sooner as reasonably determined appropriate by the Executive Director. The Director of Finance shall maintain records of all such public policy and lobbying activities. Nothing in this section shall prevent the Board from prohibiting the corporation from engaging in any public policy or lobbying activities.

- The Public Policy Committee is one of JVS's advisory committees. It identifies and analyzes public policy issues that may affect the work of JVS. The committee may bring recommendations to the Board of Directors for endorsements of policy positions, or collaborative efforts.

Conflict of Interest/Ethical Code of Conduct

Members of the Board of Directors are required to annually acknowledge their understanding of and agreement to JVS' Conflict of Interest policy and its Code of Ethics by signing a copy of both policies described below.

Restrictions on Conflicts of Interest

As set forth in the Bylaws, Directors are prohibited from having, directly or indirectly, either individually or as a member of a business organization or professional firm, any financial interest in JVS' assets or leases or connection with any transaction or any proposed transaction to which JVS is or proposes to be a party, unless the Director discloses his or her interest to the Board and it is approved by a majority of the Board then in office, without counting the vote of the Director with the interest on which the vote is taken. The Director with such interest may be counted for the purpose of determining whether a quorum is present for the vote.

Ethical Code of Conduct

Directors are expected to comply with the JVS Code of Ethics as set forth immediately below.

- To provide oversight of the operation and delivery of JVS programs and services in a manner that merits the trust and support of the public.
- To comply with applicable laws and regulations.
- To be a responsible steward of JVS resources.
- To comply with the Conflict of Interest provisions of the JVS Bylaws, which prohibit Directors from directly or indirectly having any financial interest in the assets or leases of JVS or in connection with any actual or proposed transaction to which JVS is a party unless such interest is disclosed to the Board.
- To avoid the appearance of conflict of interest between the Board member's interests and those of JVS.
- To consider the public perception of personal and professional actions and their potential impact on JVS and its reputation.
- To strive to improve the effectiveness of the JVS board and its individual members.
- To respect the boundaries in scope and tasks between the JVS Board and JVS professional staff.

The JVS Executive Committee of the Board will review and determine appropriate action with respect to any concerns regarding Code of Ethics violations that are brought to its attention.

Annual Review of Bylaws and Board Policies and Practices

On an annual basis, the Board Development Committee reviews the Bylaws and this Policies and Practices Manual and recommends revisions as appropriate to reflect changes in applicable legal and regulatory requirements and changes in the agency's programs and operations so as to maintain standards of best practices. Any such recommended revisions will be reviewed and approved by the Executive Committee of the Board, which has the authority of the Board. All such changes will be communicated to members of the Board within a reasonable time after they are made. In the event of any conflict or inconsistency between the Bylaws and the Policy and Practice Manual, the provisions of Bylaws supersede such Manual.

Board and Leadership Development

Statement on Leadership Development

- The Board of JVS works actively to develop and maintain a high quality, engaged and effective Board of Directors that works to support the agency's fulfillment of its mission and the delivery of high quality and effective services that achieve its intended impact in the community.
- The Board Development Committee works to build board leadership, through the identification of desirable skills and affiliations on the Board, and the recruitment and cultivation of individuals to meet those needs. The Board provides information and training to develop its members and assesses its own performance and the participation of individual Board members on a regular basis.

Orientation of New Board Members

A welcoming and comprehensive orientation process encourages new board members to become informed and engaged quickly, and consists of four components:

1. Orientation session

In July, after election by the Board in June, new Board members are invited to an orientation session, usually conducted by the President and members of the Board Development Committee. At this session, new Board members are introduced to their "Board Binder," which contains planning documents, Board rosters and biographies, the Bylaws, financial reports and other written materials. The orientation session also covers an overview of agency strategy and programs, as well as an introduction to Board operations and culture, and committee structure and participation. New members have the opportunity to meet their peers on the Board, and learn about the Board partner and orientation process.

2. Classroom and program visits

The July orientation session is followed by invitations to visit JVS programs and classrooms, both at JVS and in public schools. These visits, accompanied by JVS staff, enable new Board members to see JVS programs in action, followed by discussion with staff. New Board members are also encouraged to attend program events and graduations soon after their election. All Board members are also invited to attend these visits and events.

3. Board partners

New Board members are matched with a Board partner, a more experienced Board member, and meet with this partner soon after their election. The Board partner shares his or her experience on the Board, shares perspectives on Board practice, discusses options for committee participation, and answers questions new Board members may have. These initial discussions are followed by contact throughout the year, so that new Board members have a peer resource and connection.

4. New Board member feedback session

The Board Development Committee invites new Board members to a feedback session during the first year of their first term, in which new Board members provide feedback on their experience on the Board and on the effectiveness of the orientation process. Suggestions from these sessions have refined new Board member orientation as well as other Board practices.

Board Assessment

- The Board Development Committee of the Board conducts an annual assessment of Board effectiveness and engagement. The committee administers a survey asking Board members to evaluate the Board's performance on multiple components of Board practice, and then rank each component on its priority for current Board work. The Board Development Committee analyzes the survey results and develops recommendations for strengthening Board practice, which are then reported to the full Board, and developed into strategies for implementation.
- New Board members are invited to a feedback session during their first year on the Board, conducted with the Board President and members of the Board Development Committee. At this time, new members provide feedback on their initial year on the Board, including the effectiveness of the Board orientation and committee participation.
- With Board terms renewing every two years, renewals of Board terms also serve as a tool for evaluating individual Board member engagement and effectiveness and confirm a renewed commitment.

Board Education

To build an informed and engaged Board, JVS provides ongoing Board education through the following methods:

- Regular staff updates to the Board giving updates on agency programs, services, and funding, as well as staff news and changes.
- Presentations at Board meetings by outside speakers on economic and public policy trends.
- Brown Bag lunches with staff: A Board member is invited for an informal lunch with JVS staff to discuss Board members' own careers and perceptions of employment trends and practices, although discussions can also cover agency program trends. These lunches encourage connection between Board and staff.

Technical Assistance

Board members may also provide technical assistance to JVS staff, either through their committee involvement or through individual work. The breadth of skill and connection within the JVS Board provides expertise and resources to JVS that help deepen the agency's impact in the community and serve as a tool for staff development. Examples of technical assistance provided by Board members include: advice on legal documents, such as contracts and leases, advice on real estate lease negotiations, and advice on communications issues, such as branding and tools for publicity.

Fundraising and Ambassador Roles and Practices and Responsibilities

- JVS's success in meeting its mission and impact relies on the financial resources generated by board members. We welcome and appreciate board members who use their connections and influence to help secure corporate and foundation gifts, but each board member is expected to make a personal gift as well.
- The board's commitment to personal generosity will inspire others and set the standard of generous giving. Each board member should make the most generous personal gift their circumstances allow. While some board members have the capacity to make very large gifts, all board members have the capacity to be generous given their circumstances. We celebrate the generosity of all board members to establish a high standard of generosity for the entire community by setting an ambitious but attainable goal for giving by their related corporate and foundation entities
- Every board member should be involved in at least one or more JVS fundraising activities. Those activities may include:
 - Introducing prospective donors to JVS
 - Adding names to the JVS mailing list
 - Working on JVS fundraising events (including, but not limited to Strictly Business)
 - Signing personalized solicitation letters
 - Signing thank you letters
 - Making thank you phone calls
 - Participating in donor cultivation meetings
 - Hosting small donor cultivation events at home or office
 - Soliciting prospective donors face-to-face, etc.
- Each board member is expected to meet in person each year with a board colleague and/or staff to discuss their financial commitment to JVS and their personal work plan for development activities.
- Because fundraising is critical to advance our mission, it is the staff's responsibility to prepare an annual fundraising plan and it is the board's responsibility to approve the plan and to periodically review progress against goals, etc.
- All board members are welcome to serve on JVS's Development Committee whose responsibility is to oversee progress of the fundraising plan, serve as resources for staff and to lend their support to fundraising activities.

Emeritus Council

The JVS Board of Directors established an “Emeritus Council” at its meeting on January 25, 2012. This Council, to be formally launched on July 1, 2012, will have as its purpose the sustained connection to JVS of outgoing and former board members. This Council will reconnect former board members with the agency to continue and expand the presence of JVS ambassadors in the community through time, financial support and outreach to prospective supporters and employers.

Membership invitations will be extended to outgoing Board members, past presidents and selected past Board members who have continued their involvement with JVS through financial support or commitment of time. Emeritus Council members are invited to Board meetings without voting power or inclusion in executive sessions; their attendance at meetings not mandatory. They are invited to attend final Board meeting of each fiscal year to hear the “state of the agency” and provide feedback and guidance. They are also invited to all program graduations.

Emeritus Council members will be asked to help build attendance at Strictly Business, and provide financial support to JVS; although no specific minimum amount will be required, a personally significant gift will be expected and solicited.

Emeritus Council members will be recognized on the JVS website, Strictly Business invitation and printed program, ribbon at Strictly Business, with other recognition to be determined.

Membership will be reviewed annually by Council members and JVS leadership.

Approved by JVS Board January 25, 2012

Executive Leadership Development, Evaluation and Compensation

- The JVS Board of Directors works in close partnership with the Executive Director and other JVS staff, especially executive leadership. The shared commitment to the JVS mission and clients drives this partnership, as well as deep respect for the skills, perspectives and contributions of each partner. JVS executive staff participates in Executive Committee meetings as well as Board of Directors meetings.
- Board members focus their efforts on strategic issues and delegate the operational management of JVS to the Executive Director and management team.
- The Board of Directors hires the Executive Director and evaluates the Executive Director's performance on an annual basis. This evaluation is conducted by the President and Executive Committee in the first quarter of the fiscal year and encompasses an evaluation of agency performance in the last fiscal year compared to goals, an evaluation of professional performance and growth compared to goals, and feedback from direct staff reports to the Executive Director, as well as community partners identified by the Executive Director.
- Executive Compensation is determined by the Executive Committee. The philosophy of executive compensation is based on intent to recruit and retain high quality and experienced staff leaders who will direct JVS in fulfilling its mission to the community. Executive compensation is determined by three factors:
 1. Market review and benchmarking
 2. Performance and results
 3. Agency budget and financial conditions

Executive compensation of the Executive Director and the Director of Finance and Operations, as directed by CA law, is determined annually by the Executive Committee, based on the factors described above, and confirmed in writing. This determination takes place in the first quarter of the fiscal year, with any changes to salary effective October 1. The Executive Committee may commission a compensation study with an outside consultant for market review and benchmarking. (Please refer to Policies and Procedures for Executive Compensation for a complete summary)

Succession Planning

Succession planning of executive leadership is addressed through the close partnership between the Board and Executive Director, and the informal ongoing planning for leadership development of management staff. More formally, the Executive Committee and executive leadership have written an emergency succession plan, which is reviewed annually and revised when needed. This plan addresses unplanned short- term absences of three months or less as well as long term of three months or more, or the permanent absence of the Executive Director. The President will inform the Board if there are any changes to Succession Plan that change the authorities of the Acting Executive Director.

Planning for executive leadership transition is a critical governance responsibility of the Board, delegated to the Executive Committee. The Executive Committee will work closely with the JVS Executive Management Team, other board members and outside consultation to plan for a stable transition.

Appendix

- 2013-2014 Board Roster
- Board Job Description
- 2013-2014 Board Contact List
- Board Bios
- 2013-2014 Board Meetings Calendar
- 2013-2014 Board Planning Calendar
- Sample Board meeting agenda
- Sample Board meeting minutes
- Bylaws
- 2012-2013 Board Organizational Chart/Committee Structure
- JVS Strategic Plan 2012-2015
- JVS Strategy Map 2012-2015
- JVS Annual Priorities 2013-2014
- 2013-2014 Budget



ROLES AND RESPONSIBILITIES: BOARD OF DIRECTORS

INTRODUCTION

The board will advise and support Toolworks to ensure that policies and practices are aligned with and adhere to the Agency's overall mission, values, and strategic direction. The board is responsible for approving any changes to the overall mission and for fiduciary and legal governance and hiring and evaluating the executive director.

The board will consist of members with a variety of skill sets, diversity of background and life experiences, and a commitment to the Agency's mission.

BOARD RESPONSIBILITIES

The Board will:

1. Meet as often as needed to effectively discharge its responsibilities and achieve quorum at every meeting. The minimum number of meetings over one year will be six.
2. Record minutes of all meetings by the full governing bodies and its committees.
3. Provide proper financial oversight, ensure that adequate financial controls are in place, review and formally adopt an annual budget for the agency.
4. Ensure adequate resources to allow the agency to fulfill its mission.
5. Ensure legal and ethical integrity and maintain accountability, including the agency's compliance with all applicable local, state and federal laws.
6. Ensure effective organizational planning.
7. Be responsible for the hiring, supervision and annual evaluation of the Executive Director/CEO.

BOARD MEMBER RESPONSIBILITIES

Each Board member will:

8. Understand and promote the mission of the agency.
9. Review and become familiar with the agency's mission, Articles, By-laws, Policies and Board Orientation Book.

10. Be prepared for and attend Board meetings (bi-monthly) and Board retreats and be willing to serve on Board or Agency committees.
 11. Make every effort to attend the agency's events, including holiday parties and special events and client site visits.
 12. Contribute his or her particular professional and personal skills and make a significant contribution of time and effort in furtherance of the agency's goals, including fund or social enterprise development activities. (Examples may include accounting, legal, human resource, or business development expertise.)
 13. Serve as an advocate for the agency, including always speaking with pride and knowledge about the agency's accomplishments and opportunities. Highlight the organization in any annual giving efforts.
 14. Ensure board leadership positions are filled and work to increase diversity of Board membership by helping to recruit new Board members with a variety of skill sets and diversity of background and life experiences.
 15. Initiate periodic communication with the Executive Director and respond to calls from the Executive Director and program directors for periodic specific needs.
-

I have read and understood the above terms of participation as a member of the Board of Directors of Toolworks and agree to become a member of the Board.

Name

Date

Meeting Dates

Toolworks' board of directors meet every two months beginning in January. Exact dates are set at the meeting prior. Two meetings a year will be open to the public. Staff must be informed of these dates at least one month and one business day prior to ensure proper compliance with the Sunshine ordinance and to meet requests for reasonable accommodations.

BOARD TICKLER

January	Annual meeting: open to all staff, persons served and community members. Review of outcome measurements, employee and client recognition, community awards
February	Bi-annual review of financial policies Bi-annual review of compensation for staff
April	Board self-assessment (bi-annually) Assign point people for ED review
June	Budget approval for following fiscal year Set board goals Insurance review
August	Conflict of interest Renew terms for board members ED Review
October	Review bylaws and articles of incorporation Review accessibility plan- open meeting
December	Auditor's report Holiday party

All meetings of the board of directors will include the following standing items:

- Approval of minutes from prior meeting
- Financial and legal updates
- ED report of program updates
- Review of policies recommended by the personnel committee
- Status updates from any active committees or workgroups
- Program highlight by staff or person served

Board of Directors Self Evaluation

In order to prepare for the board of directors meeting and discussion of its self-evaluation, please complete the following survey and return it to [name] by [date]. If any answer is Disagree or Neutral, you are requested to provide an explanation including a specific description of your area of concern. Your responses will remain confidential. Thank you.

Name _____

Please circle if you agree, disagree, or are neutral about the following statements, and use the lines provided to make comments.

1. The board understands its roles and responsibilities. Agree Disagree Neutral

Explanation _____

2. The board *understands* Toolworks' mission and programs. Agree Disagree Neutral

Explanation _____

3. The board gives adequate attention to strategic planning. Agree Disagree Neutral

Explanation _____

4. Committees of the board are active and responsible for their work. Agree Disagree Neutral

Explanation _____

5. The board receives regular reports on finances, programs, etc. Agree Disagree Neutral

Explanation _____

6. The board monitors and evaluates Toolworks' performance. Agree Disagree Neutral

Explanation _____

7. The board is reasonably involved in community and special events. Agree Disagree Neutral

Explanation _____

8. The board evaluates key staff and has approved personnel policies. Agree Disagree Neutral

Explanation _____

9. The board has the necessary skills and diversity to perform its job. Agree Disagree Neutral

Explanation _____

10. The board receives notices of meetings and minutes in a timely fashion. Agree Disagree Neutral

Explanation _____

11. Board members regularly attend meetings. Agree Disagree Neutral

Explanation _____

12. Board meetings are well run and focus on important matters. Agree Disagree Neutral

Explanation _____

Other comments: _____

Mission, Vision, Values

OUR MISSION

TOOLWORKS, in partnership with people with disabilities, is a human service agency dedicated to providing the tools and resources that promote independence, equality and personal satisfaction.

Our goals:

- To provide services that increase economic and social opportunities for people with disabilities
- To create programs driven by client choice
- To encourage personal growth to increase one's potential
- To educate the community to value the strengths and abilities of each individual

OUR VISION

TOOLWORKS is a nonprofit, human service agency that is respected and well known in the community as an innovative organization committed to providing a full range of quality services and opportunities to its clients.

THE DIVERSE POPULATIONS served have an active voice in decision making and are well represented on the staff and board. Staff are dedicated and highly skilled, working in an environment that promotes professional development and job satisfaction.

BEING FINANCIALLY STABLE due to a broad funding base that is primarily business revenue, Toolworks offers wages and benefits competitive with the public and private sector.

THROUGH PARTNERSHIPS AND COLLABORATIONS with academic institutions, foundations, government, business and other nonprofits, Toolworks is a leader that exemplifies the best in the nonprofit arena.

OUR VALUES

We strive to deliver services of exceptional quality to all our customers. There is no place for mediocrity and half-hearted efforts at Toolworks.

COMMITMENT TO CLIENTS

We are committed to provide opportunities for growth for all the clients we serve. We recognize the importance of clients having an active voice within the agency.

ACCOUNTABILITY

We operate from the points of view that we are each responsible for the success (or failure) of the agency and its goals.

TRUST AND RESPECT FOR THE INDIVIDUAL

We value each other and respect the uniqueness of every individual. We are committed to being kind through keeping an open mind, appreciating differences and avoiding judgment.

TEAMWORK

We recognize that the achievement of our mission and common goals are only made possible through the individual talents and collective efforts of team members. Each member is challenged to identify; support and foster team growth by embracing a spirit of cooperation, actively participating in honest, constructive communication and a willingness to align one's views for the attainment of team objectives.

CONTINUOUS IMPROVEMENT

Continuous improvement is important to us. We are creative; we try new things and learn from mistakes. We actively seek, provide and act on feedback.

Board of Directors' Code of Ethics

1. I will do my best to see that Toolworks is operated in a manner that upholds the agency's integrity and merits the trust and support of the public.
2. I will strive to uphold all applicable laws and regulations, going beyond the letter of the law to protect and/or enhance Toolworks' ability to accomplish its mission.
3. I will treat others with respect, doing for and to others as I would have done for and to me in similar circumstances.
4. I will be a responsible steward of Toolworks' resources.
5. I will take no actions that could benefit me personally at the unwarranted expense of Toolworks, avoiding even the appearance of conflict of interest.
6. I will carefully consider the public perception of my personal and professional actions, and the effect my actions could have, positively or negatively, on Toolworks' reputation in my community and elsewhere.
7. I will strive for personal and professional growth to improve my effectiveness as a Toolworks' Board member.
8. I will refrain from unwarranted intrusion into the responsibilities of Toolworks' operational management.



BYLAWS OF TOOLWORKS

A California Nonprofit Public Benefit Corporation

ARTICLE I

NAME AND PURPOSE

The name of this corporation and the purposes for which this corporation is formed shall be as provided in its Articles of Incorporation.

ARTICLE II

MEMBERSHIP

This corporation shall have no members.

ARTICLE III

DIRECTORS

SECTION 1. POWERS

Subject to the provisions of the California Non-profit Corporation Law and limitations in the articles of incorporation, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of directors.

SECTION 2. NUMBER AND QUALIFICATION OF DIRECTORS

The authorized number of directors shall be at least seven (7) but not more than thirteen (13). Directors need not be residents of the State of California.

SECTION 3. TERM OF OFFICE OF DIRECTORS

The terms of office for Directors shall be three years.

SECTION 4. ELECTION AND VACANCIES

The directors shall be selected by a majority of the directors then in office, whether or not a quorum.

Any vacancy on the board shall be filled by a majority of the directors then in office, whether or not a quorum. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

SECTION 5. RESIGNATIONS

Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the chair of the board, the executive director, the secretary, or the board of directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may select a successor to take office as of the date when resignation becomes effective. No director may resign when the corporation would then be left without a duly selected director or directors in charge of its affairs.

SECTION 6. RESTRICTION ON INTERESTED DIRECTORS

Not more than 49% of the persons serving on the board of directors at any time may be interested persons. An interested person is (1) any person being compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

SECTION 7. REMOVAL

Any director may be removed from office by a majority vote of the directors.

SECTION 8. PLACE OF MEETINGS; MEETINGS BY TELEPHONE

Regular meetings of the board of directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice, at the principal executive office of the corporation. Notwithstanding the above provisions of this Section, a regular or special meeting of the board of directors may be held at any place consented to in

writing by all the board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can communicate with one another, and all such directors shall be deemed to be present in person at such meeting.

SECTION 9. ON THE ANNUAL MEETING

The board of directors shall hold a regular meeting on the second Tuesday of each January, or as otherwise directed by the board of directors, for the purpose of organization, election of officers, and the transaction of other business. Notice of this meeting shall not be required.

SECTION 10. OTHER REGULAR MEETINGS

Other regular meetings of the board of directors shall be held without call at such time as shall from time to time be fixed by the board of directors. At least three such meetings shall be held each year. Such regular meetings may be held without notice.

SECTION 11. SPECIAL MEETINGS

(a) Authority to call. Special meetings of the board of directors for any purpose may be called at any time by the chair of the board or the executive director, or any vice president, the secretary, or any two directors.

(b) Notice

(i) Manner of giving. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery or written notice; (b) by first-class mail, postage paid; (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; (d) by email; or (e) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.

(ii) Time requirements. Notices sent by first-class mail shall be deposited into a United States mail box at least four days before the time set for the meeting. Notices given by personal delivery, telephone, email, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meetings.

(iii) Notice contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of meeting, or the place of the meeting, if it is to be held at the principal executive office of the corporation.

SECTION 12. QUORUM

A majority of the currently authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article IX. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a 'majority of the required quorum for that meeting.

SECTION 13. WAIVER OF NOTICE

The transactions of any meeting of the board of directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

SECTION 14. ADJOURNMENT

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

SECTION 15. NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were present at the time of the adjournment.

SECTION 16. RECORD QF MEETINGS

Minutes of each meeting shall be taken and distributed to each member of the board within a reasonable time after the meeting.

SECTION 17. ACTION WITHOUT MEETING

Any action required or permitted to be taken by the board of directors may be taken without a meeting if all members of the board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board.

SECTION 18. FEES AND COMPENSATION OF DIRECTORS

Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the board of directors to be just and reasonable. The directors shall not be compensated for their services as board members. Reasonable reimbursement of expenses may be authorized.

ARTICLE IV COMMITTEES

SECTION 1. COMMITTEES OF DIRECTORS

The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

- (a) take any final action on matters which, under the Nonprofit Corporation Law of California, also requires members approval or approval of a majority of all members;
- (b) fill vacancies on the board of directors or in any committee which has the authority of the board;
- (c) amend or repeal bylaws or adopt new bylaws;
- (d) amend or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;
- (e) appoint any other committees of the board of directors or the members of these committees;
- (f) approve any transaction (1) to which the corporation is a party and one or more directors have a material financial interest; or (2) between the corporation and one or more of its directors or between the corporation or any person in which one or more of its directors have a material financial interest.

SECTION 2. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these bylaws, concerning meetings of directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee.

Special meetings of committees may also be called by resolution of the board of directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

ARTICLE V

OFFICERS

SECTION 1. OFFICERS.

The officers of the corporation shall be an executive director, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the board of directors, a chair of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article V. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as either the executive director or the chair of the board.

SECTION 2. ELECTION OF OFFICERS

The officers of the corporation, except those appointed in accordance with the provisions of Section 3 of this Article V, shall be chosen by the board of directors, and each shall serve until removed or resigned, subject to the rights, if any, of an officer under any contract of employment.

SECTION 3. SUBORDINATE OFFICERS

The board of directors may appoint, and may authorize the chair of the board or the executive director or another officer to appoint, any other officers that the business of the corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined from time to time by the board of directors.

SECTION 4. REMOVAL OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, the board of directors, at any regular or special meeting of the board, or, except in the case of an officer chosen by the board of directors, by an officer on whom such power or removal may be conferred by the board of directors.

SECTION 5. RESIGNATION OF OFFICERS

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

SECTION 6. VACANCIES IN OFFICERS

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these bylaws for regular appointments to that office.

SECTION 7. RESPONSIBILITIES OF OFFICERS

(a) Chair of the board. If such an officer be elected, the chair of the board shall preside at meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the board of directors or prescribed by the bylaws. If there is no executive director, the chair of the board shall, in addition, be the chief executive officer of the corporation and shall have the powers and duties prescribed in paragraph (b), below.

(b) Executive director. Subject to such supervisory powers as may be given by the board of directors to the chair of the board, if any, the executive director shall, subject to the control of the board of directors, generally supervise, direct, and control the business and the officers of the corporation. The executive director shall preside in the absence of the chair of the board, or if there be none, at all meetings of the board of directors. The executive director shall have such other powers and duties as may be prescribed by the board of directors or the bylaws.

(c) Vice presidents. In absence or disability of the executive director, the vice president, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of the executive director, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the executive director. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors or the chair of the board.

(d) Secretary. The secretary shall attend to the following:

(i) Book of minutes. The secretary shall keep or cause to be kept, at the principal executive office or, such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors and committees of directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

(ii) Notices and other duties. The secretary shall give, or cause to be given, notice of all meetings of the members and of the board of directors required by the bylaws to be given. The secretary shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(e) Chief financial officer. The chief financial officer shall attend to the following:

(i) Book of account. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and

business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.

(ii) Deposit and disbursement of money and valuables. The chief financial officer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors; shall disburse the funds of the corporation as may be ordered by the board of directors; shall render to the executive director and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(iii) Bond. If required by the board of directors, the chief financial officer 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 his office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

ARTICLE VI RECORDS AND REPORTS

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of its board and committees of the board.

All such records shall be kept at the corporation's principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state.

SECTION 2. INSPECTION BY DIRECTORS

Every director shall have the absolute right at any reasonable time to inspect all books records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

SECTION 3. ANNUAL REPORT TO DIRECTORS

(a) Not later than 120 days after the close of the corporation's fiscal year, the board shall cause an annual report to be sent to the directors. Such report shall contain the following information in reasonable detail:

(1) The assets and liabilities, including the trust funds, of the corporation as 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, for the fiscal year.

(4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

(5) Any information required by Section 4 of this Article.

(b) The report required by this Section shall be accompanied by any report thereon 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 books and records of the corporation.

SECTION 4. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

No later than 120 days after the close of the corporation's fiscal year, the corporation shall prepare and mail or deliver to each director a statement of the amount and circumstances of any transaction of the following kind:

Any transaction(s) in which the corporation, its parent or its subsidiary was a party, and in which either of the following had a direct or indirect financial interest:

(1) Any director or officer of the corporation, its parent or subsidiary (a mere common directorship shall not be considered such an interest); or

(2) Any holder of more than 10% of the voting power of the corporation, its parent or its subsidiary; if such transaction involved over \$40,000, or was one of the number of transactions with the same person involving, in the aggregate, over \$40,000.

ARTICLE VII

FISCAL YEAR

The fiscal year of this corporation shall end on the 30th day of June of each year.

ARTICLE VIII

AMENDMENTS

Subject to the limitations set forth below, the board of directors may adopt, amend or repeal bylaws. Such power is subject to the following limitation:

If any provision of these bylaws requires the vote of a larger proportion of the directors than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of directors.



HealthRIGHT 360

Board of Directors Manual 2016



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The Board



Get better. Do better. Be better.

Board Member Job Description

Purpose:

The Board supports the mission and work of HealthRIGHT 360 and provides mission-based leadership, strategic governance, and fiduciary oversight for the organization.

Responsibilities:

1. Engage in long-range organizational planning and strategic development
2. Review and approve annual budget, audit, and financial reports
3. Review organizational corporate compliance and risk management practices, as well as quality improvement/outcome monitoring initiatives
4. Represent HR360 to stakeholders; acts as ambassador and advocate for the organization
5. Assist in the recruitment of new Board members
6. Select, evaluate, and review compensation for the CEO
7. Ensure that the organization has adequate resources by participating in fundraising activities
8. Make a significant financial contribution to the organization
9. Review Board materials and attend and participate in monthly Board meetings
10. Participate in at least two Board subcommittees

Board terms:

1. Board members are elected by the Board to a 3-year term
2. Board members may be elected to no more than 2 consecutive Board terms

Board meetings and time commitment:

1. Board meetings occur monthly on the 4th Wednesday of each month from 6 pm – 8 pm. Board subcommittees determine their own meeting schedules in accordance with the applicable bylaw section; the exception is the Finance subcommittee which meets monthly, one hour before the board meeting (5 pm)
2. Board members may miss no more than 4 meetings within a 12-month period

3. Typical time commitment for a Board member averages 6-8 hours per month (Board meetings, subcommittee meetings, prep, learning/advocacy/events)

Board Member Agreement:

As a Governing Board member of HealthRIGHT 360, I am fully committed to the mission and have pledged to help carry it out. I understand that my duties and responsibilities, in accordance with best practices, include the following:

1. I will be fiscally responsible, with other Board members, for this organization. I will know what our budget is and take an active part in reviewing, approving, and monitoring the budget.
2. I know my legal responsibilities for this organization as a member of the Board and will take an active part in establishing and overseeing the organization's policies and programs.
3. I will act in accordance with the bylaws and operating principles outlined in the manual and understand that I am morally responsible, as a member of the Board, for the health and well being of this organization.
4. I will actively participate in fundraising in whatever ways are best suited for me and agreed on with those in charge of the organization's fundraising. These may include individual solicitations, undertaking special events, writing mail appeals, and the like. I am making a good faith agreement to do my best and to help raise as much money as I can, and will give, what is for me, a substantial annual financial donation.
5. I will actively promote HealthRIGHT 360 in the community and will encourage and support its staff.
6. I understand that the Board meets monthly. I will prepare for and attend Board meetings, be available for phone consultation, and serve on at least two committees as needed.
7. If I am not able to meet my obligations as a Board member, I will offer my resignation.

Director's and Officer's Insurance:

Directors and Officers are covered with a \$3 Million aggregate limit for all board members with a \$25,000 deductible and an additional \$500,000 in defense costs. Coverage is with Federal Insurance Company and this is the recommended limit of coverage for non-profits.

Important information:

HR360 is a Federally Qualified Health Center (FQHC), receiving federal funds to provide primary medical care to indigent and disabled individuals. FQHC's have heightened Board governance and fiduciary responsibilities. These responsibilities are reflected in the above responsibilities, terms and meeting commitments. Additionally, the federal centers for Medicare/Medicaid (CMS) require that the FQHC collect confidential personal information (i.e. date of birth, address, and social security number) from its board members to be kept on file with CMS.

I acknowledge that I have read and understand the above job description. I understand that no quotas are being set and that no rigid standards of measurement and achievement are being formed, and trust that all Board members will carry out the above agreements to the best of our ability.

Signed _____

Date _____

Board Member

Signed _____

Date _____

Board Chair



FAQs: BOARD OF DIRECTORS 2016

When are the board meetings? Board meetings are held every month, on the fourth Wednesday. (November and December meetings will be scheduled in late Fall to make adjustments for the holidays.) Meetings begin at 6 p.m. and are two hours long although there have been times when they run over slightly. A board packet is sent to you via email in advance of the meeting and there are hard copies available for you on site. There is a light dinner provided.

Where are the meetings located? The meetings are held at 1735 Mission Street, (corner of Erie between 13/14th Street) in the 2nd floor conference room. The best way to gain access is to enter the building via the back packing lot, and take either elevator up to the 2nd floor. You can also enter through the Clinic's Mission Street entrance and staff will assist you.

Any special parking / transportation instructions? The parking lot behind the building (access via Erie Street) has valet available for board parking, free of charge. Alternatively, Mission Street parking is relatively easy at this time, and the meters end at 6 p.m. If you arrive early, bring a few quarters to guarantee that you don't get a ticket. If you are taking public transportation, the Mission and 16th BART station is three blocks from the building.

What if I can't attend in person? Work travel and family commitments sometime necessitate that members miss a meeting, and we are now branching out throughout the state to locate board members who live and work in Central and Southern California. We strive for 100% board attendance at all meetings, but at the bare minimum, we must have 50% +1 members for a quorum. If you need to call-in to the meeting, the number is 877-860-3058 and the access code is 836971#. This number allows for audio involvement only. Additionally, 20 minutes prior to the start of the meeting, we send out a video conference link. This is preferable, as it allows for all participants to see each other, and for projection of all materials.

Who should I contact? Of course, Dr. Vitka Eisen is always available to you. Her office number is 415-762-1558 and her personal cell is 415-652-3547. Two staff members are also always available for you. Michelle Seidman, Special Assistant to Dr. Eisen and board liaison, can be reached at 415-361-5102 (office) or 415-948-3203 (cell). Jeff Schindler, Director of Advancement, is the additional contact, and can be reached at 415-762-3703 (office) and 415-572-0660 (cell).

What are the expectations of board membership?

- Board members attend monthly board meetings;
- Board members review, approve and monitor the budget;
- Board members establish and oversee the policies and programs;
- Board members act in accordance with the bylaws and operating principles of the organization and understand the moral responsibilities for the health and well-being of the organization;
- Board members actively participate in the fundraising goals of the organization and make, what is for you, a significant donation;
- Board members act as ambassadors and promote the organization in the community.
- Board members agree to become a consumer of a HealthRIGHT 360 clinic, which means two primary care visits a year

Beyond the board meetings, what other meetings are scheduled? We are respectful of your time and make all meetings meaningful. In addition to the monthly board meetings, we ask that members be involved in at least one (but preferably two) of the eight committees of the board. Some of the committees meet monthly, some quarterly, and others are scheduled as needed. Finance and Development committees meet monthly. There is the attempt to book committee meetings in week two or three of the month so a current report can be delivered to the full board.

What are the committees and how are members selected? The committees of the Board of Directors are as follows: Finance | Development | Audit-Corporate Compliance | Governance-Nominating | Human Relations & Compensation | Executive | CQI (Quality Improvement) | Ad Hoc (currently: Capital Campaign and FQHC Application).



"HealthRIGHT 360 gives hope, builds health, and changes lives for people in need. We do this by providing compassionate, integrated care that includes primary medical, mental health, and substance use disorder treatment."

Being on the Board

HealthRIGHT 360 has evolved over the last few years, keeping pace with changes in healthcare reform and ensuring that we are able to continue to provide care those in our community who are most marginalized and underserved. Recently, that has meant mergers with several organizations, whose missions align with the mission of HR360, and who often serve specialized populations (Asian Pacific Islander, LGBTQ, the homeless, women with children, and ex-offenders). We are proud to have become a family of programs that continues to offer individualized care that is culturally competent. It is our strong desire that the board reflects the diversity of the populations we serve, and advocates for the work of the mission through their outreach, expertise and personal contributions to HealthRIGHT 360. Enclosed you will find information about our many programs, an outline of the roles and responsibilities being on the board entails, and information about both the members of the current board, as well as the leadership team of HR360.

If you are interested in learning more about board membership, please call Jeff Schindler, Director of Advancement. He can be reached at: 415-762-3703 (office) or 415-572-0660 (cell) or at jschindler@healthright360.org.



Standing Committees of the Board of Directors

Executive Committee: The Executive Committee shall be composed of the Board Chair, Vice Chair, Secretary and Chair of the Finance Committee.. Meetings are held when the Board Chair determines that the business of the Board cannot practically be conducted by the full Board.

Finance Committee: The Finance Committee shall review the financial operations and financial reporting of the Corporation, and make recommendations to the Board as necessary. The Committee shall be comprised of at least three Governing Directors. The Finance Committee shall meet monthly.

Development Committee: The Development Committee shall oversee the development activities of the corporation and board itself; and develop methods and programs for generating gifts, grants and donations. The Committee is charged with developing methods for increasing the visibility of HR360. Committee shall meet with “reasonable frequency” as determined by Chair of the Committee.

Governance/Nominating Committee: The Governance Committee is charged with identifying and recommending names for vacancies and for officers of the Corporation, and creates a program for team building and retention. The Committee evaluates new candidates and current Directors, and annually reviews the skills and characteristics required of nominees in the context of current board composition. The Committee recommends orientation and continuing education programs to assist directors in skill and knowledge development. The Committee shall be comprised of at least two Directors.

Audit / Compliance Committee: The Audit /Compliance Committee shall have the responsibility to make recommendations to the Board for the appointment of the Corporation’s auditors. The Committee monitors the activities of the auditors and compliance with such policies. The Committee reviews the audit and makes its recommendation to the full board. The Committee is also charged with oversight as to management’s implementation of actions responsive to suggestions identified by auditors. Membership consists of Chair of Finance Committee, and three other committee members. The Committee Chair may not be the Finance Committee Chair, and this committee may not have more than half its members drawn from the Finance Committee. The Committee will oversee all federal contracts to insure that we are in complete compliance of the law.

Human Resources and Compensation Committee: The HR/Compensation Committee is charged with review and compensation of the CEO, CFO and other officers determined appropriate, annually or when modification is needed. The Committee evaluates the performance, and uses analysis of comparative data. At the request of the CEO or Governing Board, the HR Committee shall review any issue involving staff compensation, performance, policies and benefits. The Committee consists of three Governing Directors.

Quality Assurance Committee: The QA Committee evaluates medical and behavioral health activities, including service utilization patterns, productivity, patient and client satisfaction, achievement of program objectives, and developing a process of resolving patient grievances. The Committee shall be comprised of at least two Governing Directors.

BOARD OF DIRECTORS – MEETING DATES

2016

❖ **Note:** Special meeting dates are highlighted

DAY	MONTH	TIME	COMMITTEE MEETINGS	TRAININGS/REPORTS	HR360 Requirements
Wednesday	January 27 th	6:00pm – 8:00pm	Development	Research Findings/Data Report (Scott)	Get all board paperwork/forms (COI, etc.) (Michelle) Sliding Fee Scale approval (David/Ana)
Wednesday	February 24 th	6:00pm – 8:00pm	CQI	Finance Training 101 (David)	
Wednesday	March 30th	6:00pm – 8:00pm	Ad Hoc Retreat Committee	Cultural Competency Training – Asian Pacific Islander Population (presenter TBD)	
Wednesday	April 27th	6:00pm – 8:00pm (Sunshine Mtg.)	Audit & Compliance	<i>Clinic</i> QI Report (Jack and Ana)	Sunshine meeting (Michelle)
Saturday	April – TBD	9:00am – 5:00pm (annual retreat)			
Wednesday	May 25 th	6:00pm – 8:00pm	HR & Compensation	Human Resources Report (litigation, employee satisfaction, benefits, etc.) (Leo)	P&P approvals, clinic credentialing policy and clinic hours & scope of services (Denise/Ana)
Wednesday	June 22nd	6:00pm – 8:00pm	Governance & Nomination	Treatment Approaches throughout the years and Emerging Trends in Substance Use and Mental Health Treatment	
Wednesday	July 27th	6:00pm – 8:00pm	CQI	Healthcare Policy and Reform	Strategic Plan approval (not every year; Vitka)

Wednesday	August 24 th	6:00pm – 8:00pm	Audit & Compliance (pre-audit)	Addiction and the Brain	Budget Approval (David)
Wednesday	September 28th	6:00pm – 8:00pm	Development	Compliance Report (Denise Williams)	Annual Compliance Report (Denise)
Wednesday	October 26 th	6:00pm – 8:00pm (Sunshine Mtg.)	CQI HR & Compensation (Annual CEO eval)	Medication Assisted Treatment	Sunshine meeting (Michelle) Board Training Interests for 2016
Wednesday	November – TBD	6:00pm – 8:00pm	Audit and Compliance (post-audit)	Branding and marketing for non-profits	Vote for Board Officer Positions; Committee Chairs
Wednesday	December – TBD	6:00pm – 8:00pm	Governance & Nomination	Community Advisory Council Presentation (Katie Best)	

- ❖ *Finance Committee and Executive Committee* meet every month, prior to board meeting
- ❖ HR360 – Every month → Collect new MOUs and list of new staff who require credentialing; provide to CQI Committee



Charter Documents

Best Copy Available

506279

FILED

In the Office of the Secretary of State
of the Commonwealth of Massachusetts

MAR 18 1966

ARTICLES OF INCORPORATION OF
YOUTH PROJECTS, INC.

I

The name of this corporation is:

YOUTH PROJECTS, INC.

II

The purposes for which this corporation is formed,
the specific and primary purpose for which it is formed being
set forth in subparagraph (a) of this Article II, are as
follows:

(a) The specific activity in which the corporation
is primarily to engage is in treating emotionally disturbed
and delinquent youths and to lease, own and operate a school
or schools for such treatment and education of such emotionally
disturbed and delinquent young people.

(b) To solicit, collect, receive, acquire, hold and
invest money and property, both real and personal, received by
gift, contribution, bequest, devise or otherwise; to sell and
convert property, both real and personal, into cash; and to use
the funds of this corporation and the proceeds, income, rents,
issues and profits derived from any property of this corporation
for any of the purposes for which this corporation is formed.

(c) To purchase or otherwise acquire, own, hold, sell,
assign, transfer, or otherwise dispose of, mortgage, pledge or
otherwise hypothecate or encumber, and to deal in and with shares
bonds, notes, debentures or other securities or evidences of
indebtedness of any person, firm, corporation or association
and, while the owner or holder thereof to exercise all rights,
powers and privileges of ownership.

(d) To purchase or otherwise acquire, own, hold, use,
sell, exchange, assign, convey, lease or otherwise dispose of

1 and mortgage or otherwise hypothecate or encumber real and
2 personal property.

3 (e) To borrow money, incur indebtedness, and to
4 secure the repayment of the same by mortgage, pledge, deed of
5 trust, or other hypothecation of property, both real and
6 personal.

7 (f) To carry into effect any one or more of the
8 objects and purposes hereinabove set forth and to that end to
9 do any one or more of the acts and things aforesaid, and like-
10 wise any and all acts or things necessary or incidental thereto;
11 and, in conducting or carrying on its activities, and for the
12 purpose of promoting or furthering any one or more of its
13 said objects or purposes, to exercise any or all of the
14 powers hereinabove set forth in this Article, and any other
15 or additional power now or hereafter authorized by law, either
16 alone or in conjunction with others as principal, agent or
17 otherwise; provided, however, that this corporation shall not
18 have the power to, and shall not, carry on propaganda, or
19 otherwise attempt, to influence legislation or to participate
20 in, or intervene in (including the publishing or distributing
21 of statements), any political campaign on behalf of any
22 candidate for public office.

23 The foregoing statement of purposes shall be
24 construed as a statement of both purposes and powers, and the
25 purposes and powers stated in each clause, except where
26 otherwise expressed, shall be in nowise limited or restricted
27 by reference to or inference from the terms or provisions of
28 any other clause, but shall be regarded as independent purposes
29 and powers.

30 Notwithstanding any of the above statements of
31 purposes and powers, this corporation shall not engage in
32 activities which in themselves are not in furtherance of the

1 charitable purposes set forth in subparagraph (a) of this
2 Article II.

3 The properties of this corporation shall be held in
4 trust for the purposes above set forth, but with full power to
5 sell, exchange, encumber or otherwise dispose of the same,
6 subject to the rights of the creditors of this corporation.

7 III

8 The county in the State of California where the
9 principal office for the transaction of the business of this
10 corporation is to be located is ~~Solano~~ County.

11 IV

12 The persons who are to act in the capacity of
13 directors of this corporation shall be designated "Trustees".
14 The number of Trustees of this corporation shall be five (5),
15 and the names and addresses of the persons who are appointed
16 to act in the capacity of Trustees until the selection of
17 their successors are as follows:

18	NAME	ADDRESS
19	JAMES M. SHUMWAY	19 Willotta Drive Suisun City, California
20	MILTON GOLDINGER	2019 San Luis Fairfield, California
21	JOHN M. POWERS	761 Del Mar Street Fairfield, California
22	AUDREY M. COLDANI	2003 San Gabriel Fairfield, California
23	RETA R. BERRY	1907 San Benito Fairfield, California

27 The number of Trustees may be fixed or changed from
28 time to time by amendment of the Articles of Incorporation, or
29 by amendment of the By-Laws of this corporation duly adopted
30 by the vote or written assent of the members of the corporation
31 pursuant to the By-Laws.

V

1 The persons who are Trustees of this corporation
2 from time to time shall be its only members and upon ceasing
3 to be a Trustee of this corporation, any such person shall
4 cease to be a member.
5

6 The members and Trustees of this corporation shall
7 have no liability for dues or assessments. In the election of
8 Trustees each member of this corporation shall be entitled to
9 one vote for each office to be filled.

VI

10 This corporation is organized pursuant to the General
11 Nonprofit Corporation Law of the State of California. This
12 corporation is not organized, nor shall it be operated, for
13 pecuniary gain or profit, and it does not contemplate the
14 distribution of gains, profits or dividends to the members
15 thereof or to any private shareholder or individual. The
16 property, assets, profits and net income of this corporation
17 are irrevocably dedicated to charitable, scientific, literary,
18 educational and religious purposes and no part of the profits
19 or net income of this corporation shall ever inure to the
20 benefit of any director, officer or member thereof or to the
21 benefit of any private shareholder or individual. Upon the
22 dissolution or winding up of this corporation, the assets of
23 this corporation remaining after payment of, or provision for
24 payment of, all debts and liabilities of this corporation shall
25 be distributed to a corporation or corporations, fund or funds,
26 or foundation or foundations, qualified for exemption from
27 Federal income tax under Section 501 (c) (3) of the Internal
28 Revenue Code of 1954 as now in effect or as subsequently
29 amended.
30
31 --
32

VII

The Articles of Incorporation of this corporation shall not be amended except with the vote or written consent of a majority of its members.

IN WITNESS WHEREOF, for the purpose of forming this corporation as a private nonprofit corporation for the purposes set forth in Article II hereof, under and pursuant to the provisions of the General Nonprofit Corporation Law of the State of California, we, the undersigned, constituting the incorporators of this corporation, including the persons named hereinabove as its first Trustees, have executed these Articles of Incorporation this 14th day of March, 1966.

Milton Goldinger

John M. Powers

Audrey M. Coldani

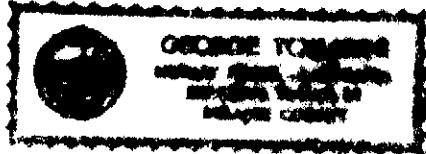
Reta R. Berry

James M. Shumway

STATE OF CALIFORNIA)
COUNTY OF SOLANO) SS.

On this 14^b day of March, 1966, before me, the undersigned, a Notary Public in and for said State, personally appeared JAMES M. SHUMWAY, MILTON GOLDINGER, JOHN M. POWERS, AUDREY M. COLDANI and RETA R. BERRY, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.



George Tomaseini
Notary Public in and for the
State of California

My Commission Expires June 8, 1980

FRANCHISE TAX BOARD

TAXES & FEES

REVENUE AND TAXATION CODE

March 18, 1966

Youth Projects Inc.
1408 Pennsylvania Avenue
Fairfield, California

Re: Exemption from franchise tax

Gentlemen:

It is the opinion of this office, based upon the evidence presented, that you are exempt from State franchise tax under the provisions of Section 23701d of the Revenue and Taxation Code, as it is shown that you are organized and operated exclusively as a charitable and educational organization.

Accordingly, you will not be required to file franchise tax returns unless you change the character of your organization, the purposes for which you were organized, or your method of operation. Any such changes should be reported immediately to this office in order that their effect upon your exempt status may be determined.

If in any year your gross income exceeds \$25,000, you are required to file an information return on Form 199 on or before the 15th day of the 5th month following the close of your fiscal year. These forms will be mailed to you if you provide us with your current postal address.

If you have income from an unrelated trade or business that is taxable under the provisions of Section 23731 of the Revenue and Taxation Code, you must file a return on Form 109 on or before the 15th day of the 3rd month following the close of your fiscal year. Copies of this form may be obtained from this office or any of its branches.

Contributions made to you are deductible by the donors in arriving at their taxable net income in the manner and to the extent provided by Sections 17214, 17215, 17216, and 24357 of the Revenue and Taxation Code.

If the organization is not yet incorporated or has not yet qualified to do business in California, this approval will expire unless incorporation or qualification is completed within 30 days.

Very truly yours,

James T. Philbin
Associate Tax Counsel
JTP:ef
cc: Secretary of State
(1)

REC'D - 1966 MAR 18 1966

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A148932

CERTIFICATE OF AMENDMENT
 OF
 ARTICLES OF INCORPORATION
 OF
 YOUTH PROJECTS, INC.

FILED
 In the office of the Secretary of State
 of the State of California

OCT 7 1974

EDWARD G. BROWN Jr., Secretary of State
James E. Hayes
 Deputy

DAVID SMITH and ABE WOODSON certify:

1. They are the President and the Secretary, respectively, of Youth Projects, Inc., a California corporation.
2. At a meeting of the Board of Directors of the corporation, held at "The Crackerjack", 1644 Haight Street, San Francisco, California at 12:00 p.m. on September 13, 1974, the following resolution was adopted:

RESOLVED:

That the Articles of Incorporation of Youth Projects, Inc., a California nonprofit corporation, be amended to read as herein set forth in full:

I.

The name of this corporation is YOUTH PROJECTS, INC.

II.

The purposes and powers of this corporation are:

- (a) The specific and primary purposes and powers are to engage in activities in furtherance of charitable, scientific, testing for public safety, literary, or educational purposes, or in activities for the prevention of cruelty to children, within the meaning of

Section 501(c)(3) of the Internal Revenue Code of 1954 as now in effect or as subsequently amended.

(b) To engage in activities permitted by Section 9501 of the California Corporations Code as now in effect or as subsequently amended.

(c) Notwithstanding any of the above statements of purposes and powers, the corporation shall not engage in any activities which are not in furtherance of the purposes set forth in subparagraph (a) of this Article II, shall not carry on propaganda or otherwise attempt to influence legislation, and shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

III.

The county in the State of California where the principal office for the transaction of the business of this corporation is to be located is San Francisco County.

IV.

The initial number of Directors of this corporation shall be five (5). The names and addresses of the persons who were appointed to act in the capacity of Directors until the selection of their successors were:

<u>NAME</u>	<u>ADDRESS</u>
JAMES M. SHUMWAY	19 Willotta Drive Suisun City, California
MILTON GOLDINGER	2019 San Luis Fairfield, California

<u>NAME</u>	<u>ADDRESS</u>
JOHN M. POWERS	761 Del Mar Street Fairfield, California
AUDREY M. COLDANI	2003 San Gabriel Fairfield, California
RETA R. BERRY	1907 San Benito Fairfield, California

The number of Directors may be fixed or changed from time to time by amendment of the Articles of Incorporation, or by amendment of the Bylaws of this corporation duly adopted by the vote or written assent of the members of the corporation pursuant to the Bylaws.

V.

The authorized number and qualifications of members of the corporation, the different classes of membership, if any, and the property, voting and other rights and privileges of members shall be as set forth in the Bylaws.

The members and Directors of this corporation shall have no liability for dues or assessments. In the election of Directors each member of this corporation shall be entitled to one vote for each office to be filled.

VI.

This corporation is organized pursuant to the General Non-profit Corporation Law of the State of California.

VII.

This corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate

the distribution of gains, profits, or dividends to its members and is organized solely for nonprofit purposes. The property, assets, profits, and net income of this corporation are irrevocably dedicated to charitable purposes, and educational and scientific purposes meeting the requirements of Section 214 of the California Revenue and Taxation Code and no part of the profits or net income of this corporation shall ever inure to the benefit of any director, officer, or member or to the benefit of any private shareholder or individual. On the dissolution or winding up of this corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes, or educational or scientific purposes meeting the requirements of Section 214 of the California Revenue and Taxation Code and that has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code.

VIII.

The Articles of Incorporation of this corporation shall not be amended except with the vote or written consent of a majority of its members.

The members have adopted this amendment by resolution at a meeting held at the "Crackerjack", California, on September 13, 1974. The wording of the amended article, as set forth in the members' resolution, is the same as that set forth in the directors' resolution above.

3. The number of members who voted affirmatively for the adoption of the resolution is three (3), and the number of

members constituting a quorum is three (3).

David E. Smith
President

William W. Sox
Secretary

VERIFICATION

We, the undersigned, say that the matters set forth in this Certificate of Amendment of the Articles of Incorporation are true of our own knowledge.

We declare under penalty of perjury that the matters set forth in this certificate are true and correct.

Executed on the 13th day of September, 1974 at San Francisco, California.

David E. Smith
President

John W. Woodson
Secretary

506279 A353696

FILED
In the office of the Secretary of State
of the State of California

6

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
YOUTH PROJECTS, INC.

a California Nonprofit Public Benefit
Corporation

JUN 22 1988

March Fong Eu
MARCH FONG EU, Secretary of State

David E. Smith, M.D., and Ruth Patience certify that:

1. They are the President and Secretary, respectively, of said corporation.

2. The Articles of Incorporation shall be amended by revising Article I to read as follows:

I.

The name of this corporation is Haight Ashbury Free Clinics, Inc.

3. The foregoing amendment has been approved by the Board of Directors of said corporation.

4. The foregoing amendment was one which may be adopted with approval of by the Board of Directors alone, because there are no members of the Corporation and there are no other persons for whom consent is required for amendment of the articles of incorporation.

IN WITNESS WHEREOF, the undersigned have executed this Certification on June 20, 1988.

David E. Smith, M.D.
DAVID E. SMITH, M.D.
President

Ruth Patience
RUTH PATIENCE
Secretary

VERIFICATION

The undersigned, David E. Smith, M.D. and Ruth Patience, respectively, of Youth Projects, Inc., each declares under penalty of perjury that the matters set out in the foregoing Certificate of Amendment are true of his or her own knowledge.

Executed at San Francisco, California on June 20, 1988.



DAVID E. SMITH, M.D.
President



RUTH PATIENCE
Secretary

FILED

In the office of the Secretary of State
of the State of California

506279 SUR

AGREEMENT OF MERGER

JUL 01 2011

THIS AGREEMENT OF MERGER (this "Agreement") dated May 21, 2011, is entered into by and between Haight Ashbury Free Clinics, Inc., a California nonprofit public benefit corporation (the "Surviving Corporation"), and Walden House, Inc., a California nonprofit public benefit corporation (the "Disappearing Corporation").

RECITALS

A. This Agreement is being entered into pursuant to a Letter of Intent dated December 31, 2010 by and between Surviving Corporation and Disappearing Corporation (the "LOI"). The LOI and this Agreement are intended to be construed together to effectuate their purposes.

B. The board of directors of Surviving Corporation and the board of directors of Disappearing Corporation have determined that it is advisable and in the best interests of their respective corporations that Disappearing Corporation merge into Surviving Corporation, and in conjunction therewith, have approved the terms and conditions of this Agreement and, accordingly, have agreed to effect the merger provided for herein, upon the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual promises, covenants and agreements contained herein, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and accepted, the parties to this Agreement hereby agree as follows:

AGREEMENT

1. **PARTIES' INTENT.** The parties intend by this Agreement to set forth the terms and conditions of a merger, subject to approvals as required by law and by the articles of incorporation and bylaws of the parties.

2. **SURVIVING CORPORATION.** Surviving Corporation is a California nonprofit public benefit corporation, with no voting members, exempt under Section 501(c)(3) and described by Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended.

3. **DISAPPEARING CORPORATION.** Disappearing Corporation is a California nonprofit public benefit corporation, with no voting members, exempt under Section 501(c)(3) and described by Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended.

4. **NO VOTING MEMBERS.** Because neither Disappearing Corporation nor Surviving Corporation has voting members, there is no conversion of voting memberships of Disappearing Corporation into voting memberships of Surviving Corporation.

5. EFFECTIVE DATE. When all applicable laws have been complied with and all necessary authorizations, approvals, or consents have been received, and all conditions have been satisfied pursuant to the terms of the LOI and this Agreement, a copy of this Agreement, together with an officer's certificate of each of Surviving Corporation and Disappearing Corporation, shall be submitted by Surviving Corporation to the California Secretary of State for filing. This merger shall become effective on the date of filing. The date on which the merger becomes effective is referred to in this Agreement as the "Effective Date."

6. APPROVALS AND CONSENTS. This merger is subject to receipt of the approvals and/or consents of any person or persons required by law or by the articles of incorporation or bylaws of Surviving Corporation or of Disappearing Corporation, including, but not limited to governmental bodies, lenders and other creditors, other third parties to whom Surviving Corporation or Disappearing Corporation is obligated, contractually or otherwise, and other third parties to the merger (if any), to the extent that the absence of such approvals and/or consents would materially and adversely affect either or both parties. If such approvals and/or consents are not duly obtained, this Agreement is to be terminated, as provided in Section 10 of this Agreement.

7. STATEMENT OF MERGER. It is agreed by the parties that on the Effective Date, as determined under Section 5 of this Agreement, Disappearing Corporation shall be merged into Surviving Corporation, the corporate existence of Surviving Corporation shall continue, and the separate corporate existence of Disappearing Corporation shall cease. The corporate identity, existence, purposes, powers, rights, and immunities of Disappearing Corporation shall be merged into and vested in Surviving Corporation and, except as otherwise provided in this Agreement, the corporate identity, existence, name, purposes, powers, rights, and immunities of Surviving Corporation shall continue unaffected and unimpaired by the merger.

Surviving Corporation shall be subject to all of Disappearing Corporation's debts, liabilities, and trust obligations in the same manner as if Surviving Corporation had itself incurred them, and all rights of creditors and all liens and trust obligations on or arising from the property of each constituent corporation shall be preserved unimpaired, as long as such liens and trust obligations on the property of Disappearing Corporation, if any, shall be limited to the property affected by such liens and obligations immediately before the Effective Date.

8. ARTICLES AND BYLAWS. Surviving Corporation's articles of incorporation in effect immediately preceding the Effective Date shall be and remain its articles of incorporation until amended or repealed as provided by law. Surviving Corporation's bylaws in effect immediately preceding the Effective Date shall be and remain its bylaws until amended or repealed as provided by law.

9. ACTIVITIES PROHIBITED DURING MERGER. Between the date of this Agreement and the Effective Date or date of the termination of this Agreement, neither Surviving Corporation nor Disappearing Corporation shall, without the prior written consent of the other, engage in any activity or transaction other than in the ordinary course of its affairs, except as contemplated by this Agreement.

10. TERMINATION OR ABANDONMENT. This Agreement may be terminated and the merger abandoned at any time before the Effective Date (a) by the mutual consent of the respective boards of directors of Disappearing Corporation and Surviving Corporation; or (b) if in the opinion of the board of directors of either Disappearing Corporation or Surviving Corporation, evidenced by a certified copy of resolutions of that board of directors filed with the other party to this Agreement, the merger is impractical or undesirable because of any of the following facts or circumstances: (i) the occurrence of a material and adverse change in the other party's activities, holdings, or financial position; or (ii) the opinion of counsel that the merger would pose a substantial risk to Surviving Corporation's exempt status under Section 501(c)(3) of the Internal Revenue Code or to Surviving Corporation's recognized status as a public charity described by Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Internal Revenue Code. If termination occurs as provided in this Section 10, neither Disappearing Corporation nor Surviving Corporation or their respective boards of directors shall be liable to the other or its board of directors.

11. REPRESENTATIONS AND WARRANTIES OF DISAPPEARING CORPORATION. Disappearing Corporation represents and warrants to Surviving Corporation that the statements contained in this Section 11 are correct and complete as of the date of this Agreement and will be correct and complete as of the Effective Date (as though made then and as though the Effective Date were substituted for the date of this Agreement throughout this Section 11), except as otherwise set forth in this Agreement or on a schedule or exhibit hereto.

11.1 ORGANIZATION AND CORPORATE POWER. Disappearing Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Disappearing Corporation has the full right, power, legal capacity and authority to conduct and operate its business and carry on the programs and activities in which it is engaged and to own and use the properties owned and used by it, as now being conducted and operated and carried on.

11.2 AUTHORIZATION OF TRANSACTION. Disappearing Corporation and the persons executing this Agreement on behalf of Disappearing Corporation have the full right, power, legal capacity and authority to execute and deliver this Agreement and to execute and deliver all other documents and instruments and to perform all other acts as may be necessary in connection with the performance of Disappearing Corporation's obligations under this Agreement. Disappearing Corporation has no voting members, and its board of directors has the sole authority to authorize the transactions contemplated by this Agreement. This Agreement constitutes the valid and legally binding obligation of Disappearing Corporation enforceable in accordance with its terms and conditions.

11.3 BOARD OF DIRECTORS APPROVAL AND ADOPTION. The board of directors of Disappearing Corporation has approved and adopted resolutions ratifying and approving the transactions contemplated by this Agreement and the terms and conditions of this Agreement; and, no further approval or adoption of resolutions is required or necessary.

11.4 NONCONTRAVENTION. Neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will (i) violate any government regulation or statute, any court order to which Disappearing Corporation is subject or any provision of Disappearing Corporation's articles of incorporation or bylaws; or (ii) conflict with, result in a breach of, constitute a default under, create in any third party the right to accelerate, terminate, modify or require any notice under any contract or any other obligation to which Disappearing Corporation is a party or by which it is bound or to which its assets and properties are subject, except where such violation, conflict, breach, default, acceleration, termination, modification or failure to give notice would not have a material adverse effect on the ability of the parties to consummate the transactions contemplated by this Agreement.

11.5 NO UNDISCLOSED LIABILITIES. Disappearing Corporation has no liabilities or obligations of any nature (whether mature or immature, whether accrued or unaccrued, and whether absolute, contingent, conditional or potential) that would have a material adverse effect on the transactions contemplated by this Agreement. The liabilities of Disappearing Corporation are those reflected on Disappearing Corporation's Financial Statements and Disappearing Corporation's Interim Statements (as such terms are defined below) and current liabilities incurred in the ordinary course of business.

11.6 LITIGATION. To the best of Disappearing Corporation's knowledge, (i) Disappearing Corporation is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality; and (ii) there is no action, suit or proceeding at law or in equity or any arbitration or any legal, administrative or other proceeding by or before any governmental or other instrumentality or agency (each a "Proceeding" and collectively, the "Proceedings") pending or threatened against Disappearing Corporation that would have a material adverse effect on the assets and properties, liabilities, business, financial condition, operations, results of operations of Disappearing Corporation or the transactions contemplated by this Agreement. No event has occurred or circumstance exists that may give rise to or serve as a basis for commencement of any such Proceeding. Disappearing Corporation is not presently engaged in any Proceeding to recover monies due Disappearing Corporation or damages sustained by Disappearing Corporation.

11.7 INSURANCE. Disappearing Corporation has maintained and now maintains and will continue to maintain through the Effective Date (i) insurance on all of its assets and properties of the type and amount of coverage customarily insured for the conduct and operation of Disappearing Corporation's business, covering property damage and loss by fire or other casualty; and (ii) adequate insurance protection from and against all liabilities, claims and risks which is customary for the conduct and operation of Disappearing Corporation's type of business.

11.8 ENVIRONMENTAL MATTERS. To the best of Disappearing Corporation's knowledge, Disappearing Corporation is and at all times prior to the date of this Agreement has been in full compliance with all statutes, treaties, ordinances, rules, regulations or other laws enacted or enforced by any government or governmental agency and designed to protect resources, species or ecological matter or reduce, prevent or minimize the effects (whether actual or potential) of any hazardous waste, material or substance (each an

"Environmental Law" and collectively, the "Environmental Laws"). There are no claims, liens, encumbrances or other restrictions existing or threatened or proposed in writing and arising under or pursuant to any Environmental Law with respect to or affecting any property, facility or other assets of Disappearing Corporation. Disappearing Corporation has not received nor has any reason to expect any order, notice, inquiry, citation, summons, directive or any other indication that alleges or suggests actual or potential violation or failure to comply with any Environmental Law or of any actual or potential obligation to undertake or bear the cost of any environmental liability.

11.9 FINANCIAL STATEMENTS. Disappearing Corporation has furnished to Surviving Corporation the financial statements for the period ending June 30, 2010 ("Disappearing Corporation's Financial Statements"). Disappearing Corporation has also provided Surviving Corporation with such interim financial reports as are available to it as prepared through February 28, 2011 ("Disappearing Corporation's Interim Statements").

11.10 SUBSEQUENT EVENTS. Since February 28, 2011 ("Disappearing Corporation's Interim Statements Date"), there have been no material adverse changes in the assets and properties, liabilities, business, or financial condition of Disappearing Corporation; and, since June 30, 2010, there have been no adverse changes in the tax-exempt and public charity status, operations, results of operations, or future prospects of Disappearing Corporation, excluding certain changes not specific to Disappearing Corporation (e.g., general political, economic, or financial market conditions; acts of terrorism or war).

11.11 PUBLIC CHARITY RECOGNITION. Disappearing Corporation has been recognized by the Internal Revenue Service as a public charity described by Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended. Over the past four (4) taxable years immediately preceding the current year, Disappearing Corporation's "public support" meets or exceeds thirty-three and one-third percent (33 1/3%) of its "total support" on an aggregate basis, as such quoted terms are defined under Section 1.170A-9 of the Treasury Regulations.

12. REPRESENTATION AND WARRANTIES OF SURVIVING CORPORATION. Surviving Corporation represents and warrants to Disappearing Corporation that the statements contained in this Section 12 are correct and complete as of the date of this Agreement and will be correct and complete as of the Effective Date (as though made then and as though the Effective Date were substituted for the date of this Agreement throughout this Section 12), except as otherwise set forth in this Agreement or on any schedule or exhibit hereto.

12.1 ORGANIZATION AND CORPORATE POWER. Surviving Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Surviving Corporation has the full right, power, legal capacity and authority to conduct and operate its business and carry on the programs and activities in which it is engaged and to own and use the properties owned and used by it, as now being conducted and operated and carried on. Surviving Corporation is in possession of a determination letter from the Internal Revenue Service as to its exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and nothing has transpired since the date of issuance of

such determination letter which would cause the Internal Revenue Service to revoke such determination.

12.2 AUTHORIZATION OF TRANSACTION. Surviving Corporation and the persons executing this Agreement on behalf of Surviving Corporation have the full right, power, legal capacity and authority to execute and deliver this Agreement and to execute and deliver all other documents and instruments and to perform all other acts as may be necessary in connection with the performance of Surviving Corporation's obligations under this Agreement. Surviving Corporation has no voting members, and its board of directors has the sole authority to authorize the transactions contemplated by this Agreement. This Agreement constitutes the valid and legally binding obligation of Surviving Corporation enforceable in accordance with its terms and conditions.

12.3 BOARD OF DIRECTORS APPROVAL AND ADOPTION. The board of directors of Surviving Corporation has approved and adopted resolutions ratifying and approving the transactions contemplated by this Agreement, the terms and conditions of this Agreement and the transactions contemplated by this Agreement and no further approval or adoption of resolutions is required or necessary.

12.4 NONCONTRAVENTION. Neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will (i) violate any government regulation or statute, any court order to which Surviving Corporation is subject or any provision of Surviving Corporation's articles of incorporation or bylaws; or (ii) conflict with, result in a breach of, constitute a default under, create in any third party the right to accelerate, terminate, modify or require any notice under any contract or any other obligation to which Surviving Corporation is a party or by which it is bound or to which its assets and properties are subject, except where such violation, conflict, breach, default, acceleration, termination, modification or failure to give notice would not have a material adverse effect on the ability of the parties to consummate the transactions contemplated by this Agreement.

12.5 NO UNDISCLOSED LIABILITIES. Surviving Corporation has no liabilities or obligations of any nature (whether mature or immature, whether accrued or unaccrued, and whether absolute, contingent, conditional or potential) that would have a material adverse effect on the transactions contemplated by this Agreement. The liabilities for Surviving Corporation are those reflected on Surviving Corporation's Financial Statements and Surviving Corporation's Interim Statements (as such terms are defined below) and current liabilities incurred in the ordinary course of business.

12.6 LITIGATION. To the best of Surviving Corporation's knowledge, there are no Proceedings pending or threatened against Surviving Corporation which could have a material adverse effect on the assets and properties, liabilities, business, financial condition, operations, results of operations or future prospects of Surviving Corporation or the transactions contemplated by this Agreement. No event has occurred or circumstance exists that may give rise to or serve as a basis for commencement of any such Proceeding. Surviving Corporation is not presently engaged in any Proceeding to recover monies due Surviving Corporation or damages sustained by Surviving Corporation.

12.7 INSURANCE. Surviving Corporation has maintained and now maintains and will continue to maintain through the Effective Date and from and after the Effective Date (i) insurance on all of its assets and properties of the type and amount of coverage customarily insured for the conduct and operation of Surviving Corporation's business, covering property damage and loss by fire or other casualty; and (ii) adequate insurance protection from and against all liabilities, claims and risks which is customary for the conduct of Surviving Corporation's type of business.

12.8 ENVIRONMENTAL MATTERS. To the best of Surviving Corporation's knowledge, Surviving Corporation is and at all times prior to the date hereof has been in full compliance with all Environmental Laws. There are no claims, liens, encumbrances or other restrictions existing or threatened or proposed in writing and arising under or pursuant to any Environmental Law with respect to or affecting any property, facility or other assets of Surviving Corporation. Surviving Corporation has not received nor has any reason to expect any order, notice, inquiry, citation, summons, directive or any other indication that alleges or suggests actual or potential violation or failure to comply with any Environmental Law or of any actual or potential obligation to undertake or bear the cost of any environmental liability.

12.9 FINANCIAL STATEMENTS. Surviving Corporation has furnished to Disappearing Corporation, Surviving Corporation's Financial Statements for the period ending December 31, 2009 ("Surviving Corporation's Financial Statements"). Surviving Corporation has also provided Disappearing Corporation with such interim financial reports as are available to it as prepared through February 28, 2011 ("Surviving Corporation's Interim Statements").

12.10 SUBSEQUENT EVENTS. Since February 28, 2011 ("Surviving Corporation's Interim Statements Date"), there have been no adverse changes in the assets and properties, liabilities, business, or financial condition of Surviving Corporation; and since December 31, 2010, there have been no adverse changes in the tax-exempt and public charity status, operations, results of operations, or future prospects of Surviving Corporation, excluding certain changes not specific to Surviving Corporation (e.g., general political, economic, or financial market conditions; acts of terrorism or war).

12.11 PUBLIC CHARITY RECOGNITION. Surviving Corporation has been recognized by the Internal Revenue Service as a public charity described by Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended. Over the past four (4) taxable years immediately preceding the current year, Surviving Corporation's "public support" meets or exceeds thirty-three and one-third percent (33 1/3%) of its "total support" on an aggregate basis, as such quoted terms are defined under Section 1.170A-9 of the Treasury Regulations.

13. COVENANTS OF DISAPPEARING CORPORATION.

13.1 GENERAL. Disappearing Corporation will use its commercially reasonable best efforts to take all actions, including any actions in connection with any required notices to, filings with, and authorizations, consents and approvals of governments and governmental agencies and do all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

13.2 NOTICES AND CONSENTS. Disappearing Corporation will give any notices to third parties and will use its commercially reasonable best efforts to obtain any third party consents that Surviving Corporation may reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

13.3 FINAL TAX RETURNS AND FILINGS. Within a reasonable time after the Effective Date, the board of directors of Disappearing Corporation agree to cause all final tax returns and other reports to administrative agencies which may be due and owing by Disappearing Corporation to be filed, which filings shall reflect, where appropriate, the merger contemplated by this Agreement.

14. COVENANTS OF SURVIVING CORPORATION.

14.1 GENERAL. Surviving Corporation will use its commercially reasonable best efforts to take all actions, including any actions in connection with any required notices to, filings with, and authorizations, consents and approvals or governments and governmental agencies and do all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

14.2 NOTICES AND CONSENTS. Surviving Corporation will give any notices to third parties and will use its commercially reasonable best efforts to obtain any third party consents that Disappearing Corporation may reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

14.3 INSURANCE. Surviving Corporation will maintain in full force and effect insurance of equal or greater types and limits as that currently maintained by Disappearing Corporation as of the date of this Agreement.

14.4 OPERATION OF BUSINESS. Surviving Corporation will not engage in any practice, take any action, embark on any course of inaction, or enter into any transaction outside the ordinary course of business from the date of this Agreement until the Effective Date. Without limiting the generality of the foregoing, Surviving Corporation will not, other than in the ordinary course of business:

14.4.1 Authorize or effect any amendments to its articles of incorporation or bylaws except as provided in this Agreement, without the prior written approval of Disappearing Corporation;

14.4.2 Acquire any tangible or intangible assets or properties;

14.4.3 Sell, lease, transfer, dispose of, encumber or mortgage or cause any lien or encumbrance to be placed on any of its assets or properties;

14.4.4 Create, incur, assume or guaranty any indebtedness;

14.4.5 Impose any security interest upon any of its assets or properties;

14.4.6 Make any capital investment in, make any loan to, or acquire the securities or assets of, any other persons;

14.4.7 Make any unusual grants, purchases, or sales; provided, however, that Surviving Corporation may pay for its own professional fees and costs incurred in connection with this Agreement;

14.4.8 Make any change in employment terms for any of its officers and employees except as required in connection with existing agreements between Surviving Corporation and any of its officers and employees or as provided in this Agreement; and

14.4.9 Enter into any oral or written agreement, contract, commitment or arrangement to be placed on any of its assets or properties to any of the foregoing.

14.5 FICTITIOUS BUSINESS AND LEGAL NAMES. Surviving Corporation shall (i) commencing as of the Effective Date, operate under the following fictitious business name "Haight Ashbury Free Clinics – Walden House"; and (ii) continue to have the legal name "Haight Ashbury Free Clinics, Inc." until such time as the board of directors of Surviving Corporation shall by proper resolution determine to change the fictitious business and/or the legal name of Surviving Corporation.

14.6 PROGRAM APPROACH. Surviving Corporation shall have a program approach that:

14.6.1 Is client-centered, compassionate, non-judgmental, and inclusive;

14.6.2 Is premised upon a fully integrated primary care/behavioral health care service model to the greatest extent possible;

14.6.3 Offers a continuum of care with multiple access points, according to client need, motivation, readiness, and living circumstances, and includes low-threshold options for care; and

14.6.4 Is committed to innovation and creativity, and remains current with research on effective treatment practices, implementing evidenced-based interventions where such are available.

14.7 MEDI-CAL REIMBURSEMENT. Surviving Corporation shall make reasonable efforts to maximize its potential for Medi-Cal reimbursement, including establishing maximum reimbursement rates and increasing eligible Medi-Cal client enrollment.

14.8 FACILITIES CONSOLIDATION. Surviving Corporation shall make reasonable efforts to consolidate its facilities to maximize the efficiency of its operations and administrative functions.

14.9 EXPANSION OF SERVICES. Surviving Corporation shall make reasonable efforts to explore expansion of its services post-merger.

14.10 GOVERNANCE. Surviving Corporation shall have a board of directors composed of all current directors of Disappearing Corporation and all current directors of Surviving Corporation as of the date of this Agreement, to the extent such directors agree to serve on the Surviving Corporation Board of Directors post-merger. Additionally, all standing board committees shall initially be composed of at least one (1) current director from each of Disappearing Corporation and Surviving Corporation.

15. CONDITIONS TO CLOSING.

15.1 OBTAINING OF REQUIRED APPROVALS AND CONSENTS. All of the required approvals and/or consents set forth in Section 6 of this Agreement shall have been obtained.

15.2 REPRESENTATIONS AND WARRANTIES. All representations and warranties made herein shall be true and correct in all material respects at and as of the date of this Agreement and as of the Effective Date.

15.3 TRANSFER AND/OR ASSIGNMENT OF DISAPPEARING CORPORATION CONTRACTS AND LICENSES. Disappearing Corporation's contracts and licenses described in Exhibit 15.3, attached hereto, shall have been assigned and transferred to Surviving Corporation.

15.4 TRANSACTION CONDITIONS. All of the "Transaction Conditions" (as such term is defined in the LOI) shall have been satisfied or waived by the party(ies) in whose favor the applicable Transaction Condition is given.

16. AMENDMENTS AND WAIVERS. The parties may mutually amend any provision of this Agreement at any time prior to the Effective Date with a prior authorization of their respective boards of directors. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by both parties. No waiver by either party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent occurrence.

17. SEVERABILITY. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity and enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of the term or provision to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid or enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time in which the judgment may be appealed.

18. **EXPENSES.** Except for the legal fees and expenses of Wendel, Rosen, Black & Dean LLP, which, pursuant to that certain engagement letter dated April 28, 2011, shall be shared by the parties as they shall mutually agree, each of the parties will bear its own costs and expenses (including, without limitation, legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

19. **INCORPORATION OF EXHIBIT.** The Exhibit 15.3 identified in this Agreement and attached hereto, is incorporated herein by this reference and made a part hereof.

20. **GOVERNING LAW.** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by California law, including any laws that direct the application of another jurisdiction's laws.

21. **ATTORNEYS' FEES.** In the event any party brings an action at law or in equity to enforce, interpret or redress the breach of this Agreement (including, without limitation, any suit, arbitration, entry of judgment, post-judgment motion or enforcement, appeal, bankruptcy litigation, attachment or levy), the prevailing party in such action shall be entitled to its litigation expenses and reasonable attorneys' fees incurred in addition to all other relief as may be allowed by law.

22. **SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS.** The representations, warranties, covenants and agreements of the parties contained in this Agreement, and any document provided for in it, will survive this Agreement and the consummation of the transactions contemplated by this Agreement.

23. **SECTION HEADINGS.** The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

24. **ENTIRE AGREEMENT.** This Agreement, together with the LOI, constitutes the entire agreement of the parties, superseding any prior written or oral agreements between them on the same subject.

25. **FURTHER ASSURANCES.** On request by Surviving Corporation, Disappearing Corporation shall from time to time execute and deliver any documents and instruments and take any actions desirable or necessary to vest in Surviving Corporation the title to and possession of all rights, assets, properties, trusts, and business of Disappearing Corporation or otherwise to carry out the full intent and purpose of this Agreement.

26. **PLAN OF REORGANIZATION.** This Agreement constitutes a "Plan of Reorganization" to be carried out in the manner, on the terms and subject to the conditions herein set forth.

27. **COUNTERPARTS/FACSIMILE SIGNATURE.** This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signature of a person on behalf of a party hereto sent via facsimile shall be binding on such signing person and the party for whom such person is signing.

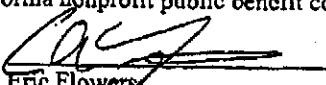
28. **INTERPRETATION.** In the event of any ambiguity in the interpretation of this Agreement, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the draftsperson.

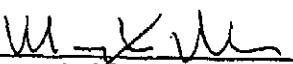
29. **CUMULATIVE RIGHTS AND REMEDIES.** The rights and remedies in this Agreement shall be cumulative, and in addition to, any duties, obligations, rights and remedies otherwise provided by law.

30. **TIME OF THE ESSENCE.** All times stated in this Agreement are of the essence.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

HAIGHT ASHBURY FREE CLINICS, INC.,
a California nonprofit public benefit corporation

By: 
Name: Eric Flowers
Its: Chair of the Board

By: 
Name: Marguerite Meade
Its: Secretary

WALDEN HOUSE, INC.,
a California nonprofit public benefit corporation

By: 
Name: Marlan Grossman
Its: Chair of the Board

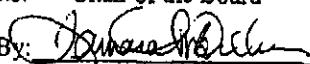
By: 
Name: Thomas Mason-Williams
Its: Secretary

EXHIBIT 15.3**DISAPPEARING CORPORATION CONTRACTS AND LICENSES THAT MUST BE
TRANSFERRED OR ASSIGNED TO SURVIVING CORPORATION
PRIOR TO THE EFFECTIVE DATE**

Walden House, Inc. contracts with California Department of Corrections and Rehabilitation (CDCR):

SASCA 3, FOTEP, and In-prison Programs

Walden House residential and outpatient programs with the San Francisco Department of Public Health

Walden House, Inc. residential and outpatient licenses with the California Department of Alcohol and Drug Programs (ADP).

Walden House, Inc. Line of Credit with Bank of America, N.A.

Walden House, Inc. 2004 Bond Insured by Cal-Mortgage

Walden House, Inc. Loan from City of San Francisco for Seismic Work at 815 Buena Vista

**CERTIFICATE OF APPROVAL
OF
AGREEMENT OF MERGER**

The undersigned, Harlan Grossman and Tamara Mason-Williams, certify that:

1. They are the Chair of the Board of Directors and Secretary, respectively, of **WALDEN HOUSE, INC.**, a California nonprofit public benefit corporation (this "Corporation").
2. The principal terms of the Agreement of Merger in the form attached were duly approved by the Board of Directors of this Corporation.
3. There are no voting members of this Corporation.
4. No other approvals are required.
5. The Attorney General of the State of California has been given prior written notice of the merger.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: June 8, 2011

By: 
Harlan Grossman, Chair of the Board
of Directors

By: 
Tamara Mason-Williams, Secretary

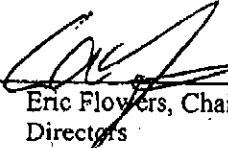
**CERTIFICATE OF APPROVAL
OF
AGREEMENT OF MERGER**

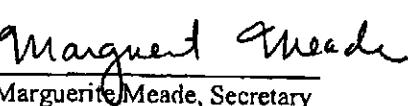
The undersigned, Eric Flowers and Marguerite Meade, certify that:

1. They are the Chair of the Board of Directors and Secretary, respectively, of **HAIGHT ASHBURY FREE CLINICS, INC.**, a California nonprofit public benefit corporation (this "Corporation").
2. The principal terms of the Agreement of Merger in the form attached were duly approved by the Board of Directors of this Corporation.
3. There are no voting members of this Corporation.
4. No other approvals are required.
5. The Attorney General of the State of California has been given prior written notice of the merger.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: June 8, 2011

By: 
Eric Flowers, Chair of the Board of
Directors

By: 
Marguerite Meade, Secretary

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FILED
 In the Office of the Secretary of State
 of the State of California

AUG 31 2012

CERTIFICATE OF AMENDMENT
 OF THE
 ARTICLES OF INCORPORATION
 OF
 HAIGHT ASHBURY FREE CLINICS, INC.

Vitka Eisen and Harold O. Lowe III certify that:

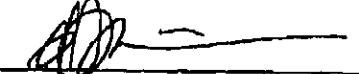
1. They are the President and the Secretary, respectively, of Haight Ashbury Free Clinics, Inc., a California nonprofit public benefit corporation.
2. Article I of the Articles of Incorporation of this corporation is hereby amended to read in its entirety as follows:

The name of this corporation is HealthRIGHT 360.

3. The foregoing amendment has been duly approved by this corporation's Board of Directors.
4. This corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: August 22, 2012



Vitka Eisen, President



Harold O. Lowe III, Secretary

A0749851

FILED *LLC*Secretary of State
State of CaliforniaC0506279 (SURV)
MERGER AGREEMENT

DEC 31 2013

See Dgj

THIS MERGER AGREEMENT (this "Agreement") dated August 28, 2013, is entered into by and between HealthRIGHT 360, a California nonprofit public benefit corporation (the "Surviving Corporation"), and Asian American Recovery Services, Inc., a California nonprofit public benefit corporation (the "Disappearing Corporation").

RECITALS

A. This Agreement is being entered into pursuant to a Letter of Intent dated July 24, 2013, by and between Surviving Corporation and Disappearing Corporation (the "Letter of Intent"). This Agreement does not terminate the Binding Provisions (as defined in the Letter of Intent). The Disappearing Corporation and the Surviving Corporation have also entered into a Plan of Organization, dated August 28, 2013 (the "Plan of Organization"). This Agreement, the Letter of Intent, and the Plan of Organization are intended to be construed together to effectuate their purposes.

B. The board of directors of Surviving Corporation and the board of directors of Disappearing Corporation have determined that it is advisable and in the best interests of their respective corporations that Disappearing Corporation merge into Surviving Corporation, and in conjunction therewith, have approved the terms and conditions of this Agreement and, accordingly, have agreed to effect the merger upon the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual promises, covenants and agreements contained herein, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and accepted, the parties to this Agreement hereby agree as follows:

AGREEMENT

1. **PARTIES' INTENT.** The parties intend by this Agreement to set forth the terms and conditions of a merger, subject to approvals as required by law and by the articles of incorporation and bylaws of the parties.

2. **NO VOTING MEMBERS.** Because neither Disappearing Corporation nor Surviving Corporation has voting members, there is no conversion of voting memberships of Disappearing Corporation into voting memberships of Surviving Corporation.

3. **EFFECTIVE DATE.** When all applicable laws have been complied with and all necessary authorizations, approvals, or consents have been received, and all conditions have been satisfied pursuant to the terms of this Agreement, Surviving Corporation will submit a copy of this Agreement, together with an officer's certificate of each of Surviving Corporation and Disappearing Corporation, to the California Secretary of State for filing. This merger will become effective on the date of filing. The date on which the merger becomes effective is referred to in this Agreement as the "Effective Date."

4. APPROVALS AND CONSENTS. This merger is subject to receipt of the approvals and/or consents of any person or persons required by law, to the extent that the absence of such approvals and/or consents would materially and adversely affect either or both parties. If any such approvals and/or consents are not duly obtained, this Agreement is to be terminated, as provided in **Section 8** of this Agreement.

5. STATEMENT OF MERGER. It is agreed by the parties that on the Effective Date, as determined under **Section 3** of this Agreement, Disappearing Corporation will be merged into Surviving Corporation, the corporate existence of Surviving Corporation will continue, and the separate corporate existence of Disappearing Corporation will cease. The corporate identity, existence, purposes, powers, rights, and immunities of Disappearing Corporation will be merged into and vested in Surviving Corporation and, except as otherwise provided in this Agreement, the corporate identity, existence, name, purposes, powers, rights, and immunities of Surviving Corporation will continue unaffected and unimpaired by the merger.

Surviving Corporation will be subject to all of Disappearing Corporation's debts, liabilities, and trust obligations in the same manner as if Surviving Corporation had itself incurred them, and all rights of creditors and all liens and trust obligations on or arising from the property of each constituent corporation will be preserved unimpaired, as long as such liens and trust obligations on the property of Disappearing Corporation, if any, will be limited to the property affected by such liens and obligations immediately before the Effective Date.

6. ARTICLES AND BYLAWS. Surviving Corporation's articles of incorporation in effect immediately preceding the Effective Date will be and remain its articles of incorporation until amended or repealed as provided by law. Surviving Corporation's bylaws in effect immediately preceding the Effective Date will be and remain its bylaws until amended or repealed as provided by law.

7. ACTIVITIES PROHIBITED DURING MERGER. Between the date of this Agreement and the Effective Date or date of the termination of this Agreement, neither Surviving Corporation nor Disappearing Corporation may, without the prior written consent of the other, engage in any activity or transaction other than in the ordinary course of its affairs, except as contemplated by this Agreement.

8. TERMINATION OR ABANDONMENT. This Agreement may be terminated and the merger abandoned at any time before the Effective Date (a) by the mutual consent of the respective boards of directors of Disappearing Corporation and Surviving Corporation; or (b) if in the opinion of the board of directors of either Disappearing Corporation or Surviving Corporation, evidenced by a certified copy of resolutions of that board of directors filed with the other party to this Agreement, the merger is impractical or undesirable because of any of the following facts or circumstances: (i) the occurrence of a material and adverse change in the other party's activities, holdings, or financial position; or (ii) opinion of counsel that the merger would pose a substantial risk to Surviving Corporation's exempt status under **Section 501(c)(3)** of the Internal Revenue Code of 1986, as amended (the "Code"), or to Surviving Corporation's recognized status as a public charity described by **Section 509(a)(1)** and **Section 170(b)(1)(A)(vi)** of the Code. If termination occurs as provided in this **Section 8**, neither

Disappearing Corporation nor Surviving Corporation or their respective boards of directors will be liable to the other or its board of directors based upon, arising from, or relating to this Agreement or the termination hereof.

9. REPRESENTATIONS AND WARRANTIES OF DISAPPEARING CORPORATION. Disappearing Corporation represents and warrants to Surviving Corporation that the statements contained in this Section 9 are correct and complete as of the date of this Agreement and will be correct and complete as of the Effective Date (as though made then and as though the Effective Date were substituted for the date of this Agreement throughout this Section 9), except as otherwise set forth in this Agreement or on a schedule or exhibit hereto.

9.1 ORGANIZATION AND CORPORATE POWER. Disappearing Corporation is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California. Disappearing Corporation has the full right, power, legal capacity and authority to conduct and operate its business and carry on the programs, and activities in which it is engaged and to own and use the properties owned and used by it, as now being conducted and operated and carried on.

9.2 AUTHORIZATION OF TRANSACTION. Disappearing Corporation and the persons executing this Agreement on behalf of Disappearing Corporation have the full right, power, legal capacity and authority to execute and deliver this Agreement and to execute and deliver all other documents and instruments and to perform all other acts as may be necessary in connection with the performance of Disappearing Corporation's obligations under this Agreement. Disappearing Corporation has no voting members, and its board of directors has the sole authority to authorize the transactions contemplated by this Agreement. This Agreement constitutes the valid and legally binding obligation of Disappearing Corporation enforceable in accordance with its terms and conditions.

9.3 BOARD OF DIRECTORS APPROVAL AND ADOPTION. The board of directors of Disappearing Corporation has approved and adopted resolutions ratifying and approving the transactions contemplated by this Agreement and the terms and conditions of this Agreement; and, no further approval or adoption of resolutions is required or necessary.

9.4 NONCONTRAVENTION. Neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will (i) violate any government regulation or statute, any court order to which Disappearing Corporation is subject or any provision of Disappearing Corporation's articles of incorporation or bylaws, as amended; or (ii) conflict with, result in a breach of, constitute a default under, create in any third party the right to accelerate, terminate, modify or require any notice under any contract or any other obligation to which Disappearing Corporation is a party or by which it is bound or to which its assets and properties are subject, except where such violation, conflict, breach, default, acceleration, termination, modification or failure to give notice would not have a material adverse effect on the ability of the parties to consummate the transactions contemplated by this Agreement.

9.5 NO UNDISCLOSED LIABILITIES. Disappearing Corporation has no liabilities or obligations of any nature (whether mature or immature, whether accrued or unaccrued, and whether absolute, contingent, conditional or potential) that would have a material adverse effect on the transactions contemplated by this Agreement. All liabilities of Disappearing Corporation are either reflected on Disappearing Corporation's Financial Statements and Disappearing Corporation's Interim Statements (as such terms are defined below) or are current liabilities incurred in the ordinary course of business.

9.6 LITIGATION. To the best of Disappearing Corporation's knowledge, (i) Disappearing Corporation is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality; and (ii) there is no action, suit or proceeding at law or in equity or any arbitration or any legal, administrative or other proceeding by or before any governmental or other instrumentality or agency (each a "Proceeding" and collectively, the "Proceedings") pending or threatened against Disappearing Corporation that would have a material adverse effect on the assets and properties, liabilities, business, financial condition, operations, results of operations of Disappearing Corporation or the transactions contemplated by this Agreement. To the best of Disappearing Corporation's knowledge, no event has occurred or circumstance exists that may give rise to or serve as a basis for commencement of any such Proceeding. Disappearing Corporation is not presently engaged in any Proceeding to recover monies due Disappearing Corporation or damages sustained by Disappearing Corporation.

9.7 INSURANCE. Disappearing Corporation has maintained and now maintains and will continue to maintain through the Effective Date (i) insurance on all of its assets and properties of the type and amount of coverage customarily insured for the conduct and operation of Disappearing Corporation's business, covering property damage and loss by fire or other casualty; and (ii) adequate insurance protection from and against all liabilities, claims and risks which is customary for the conduct and operation of Disappearing Corporation's type of business.

9.8 ENVIRONMENTAL MATTERS. To the best of Disappearing Corporation's knowledge, Disappearing Corporation is and at all times prior to the date of this Agreement has been in full compliance with all statutes, treaties, ordinances, rules, regulations or other laws enacted or enforced by any government or governmental agency and designed to protect resources, species or ecological matter or reduce, prevent or minimize the effects

(whether actual or potential) of any hazardous waste, material or substance (each an "Environmental Law" and collectively, the "Environmental Laws"). There are no claims, liens, encumbrances or other restrictions existing or threatened or proposed in writing and arising under or pursuant to any Environmental Law with respect to or affecting any property, facility or other assets of Disappearing Corporation. Disappearing Corporation has not received nor has any reason to expect any order, notice, inquiry, citation, summons, directive or any other indication that alleges or suggests actual or potential violation or failure to comply with any Environmental Law or of any actual or potential obligation to undertake or bear the cost of any environmental liability.

9.9 FINANCIAL STATEMENTS. Disappearing Corporation has furnished to Surviving Corporation the financial statements for the period ending June 30, 2012 ("Disappearing Corporation's Financial Statements"). Disappearing Corporation has also provided Surviving Corporation with such interim financial reports as are available to it as prepared through March 31, 2013 ("Disappearing Corporation's Interim Statements").

9.10 SUBSEQUENT EVENTS. Since March 31, 2013, there have been no material adverse changes in the assets and properties, liabilities, business, or financial condition of Disappearing Corporation; and since June 30, 2012, there have been no adverse changes in the tax-exempt and public charity status, operations, results of operations, or future prospects of Disappearing Corporation, excluding certain changes not specific to Disappearing Corporation (e.g., general political, economic, or financial market conditions; acts of terrorism or war).

9.11 TAX STATUS. Disappearing Corporation is in possession of a determination letter from the Internal Revenue Service stating that Disappearing Corporation is exempt from tax under Section 501(c)(3) of the Code, and is described in Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Code. To the best of Disappearing Corporation's knowledge, nothing has transpired since the date of issuance of such determination letter that would cause the Internal Revenue Service to revoke such determination. Over the past five (5) taxable years immediately preceding the current year, Disappearing Corporation's "public support" meets or exceeds thirty-three and one-third percent (33 1/3%) of its "total support" on an aggregate basis, as such quoted terms are defined under Section 1.170A-9 of the Treasury Regulations.

10. REPRESENTATION AND WARRANTIES OF SURVIVING CORPORATION. Surviving Corporation represents and warrants to Disappearing Corporation that the statements contained in this **Section 10** are correct and complete as of the date of this Agreement and will be correct and complete as of the Effective Date (as though made then and as though the Effective Date were substituted for the date of this Agreement throughout this **Section 10**), except as otherwise set forth in this Agreement or on any schedule or exhibit hereto.

10.1 ORGANIZATION AND CORPORATE POWER. Surviving Corporation is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California. Surviving Corporation has the full right, power, legal capacity and authority to conduct and operate its business and carry on the programs and activities in which it is engaged and to own and use the properties owned and used by it, as now being conducted and operated and carried on.

10.2 AUTHORIZATION OF TRANSACTION. Surviving Corporation and the persons executing this Agreement on behalf of Surviving Corporation have the full right, power, legal capacity and authority to execute and deliver this Agreement and to execute and deliver all other documents and instruments and to perform all other acts as may be necessary in connection with the performance of Surviving Corporation's obligations under this Agreement. Surviving Corporation has no voting members, and its board of directors has the sole authority to authorize the transactions contemplated by this Agreement. This Agreement constitutes the valid and legally binding obligation of Surviving Corporation enforceable in accordance with its terms and conditions.

10.3 BOARD OF DIRECTORS APPROVAL AND ADOPTION. The board of directors of Surviving Corporation has approved and adopted resolutions ratifying and approving the transactions contemplated by this Agreement, the terms and conditions of this Agreement and the transactions contemplated by this Agreement and no further approval or adoption of resolutions is required or necessary.

10.4 NONCONTRAVENTION. Neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will (i) violate any government regulation or statute, any court order to which Surviving Corporation is subject or any provision of Surviving Corporation's articles of incorporation or bylaws, as amended; or (ii) conflict with, result in a breach of, constitute a default under, create in any third party the right to accelerate, terminate, modify or require any notice under any contract or any other obligation to which Surviving Corporation is a party or by which it is bound or to which its assets and properties are subject, except where such violation, conflict, breach, default, acceleration, termination, modification or failure to give notice would not have a material adverse effect on the ability of the parties to consummate the transactions contemplated by this Agreement.

10.5 NO UNDISCLOSED LIABILITIES. Surviving Corporation has no liabilities or obligations of any nature (whether mature or immature, whether accrued or unaccrued, and whether absolute, contingent, conditional or potential) that would have a material adverse effect on the transactions contemplated by this Agreement. The liabilities for Surviving Corporation are those reflected on Surviving Corporation's Financial Statements and Surviving Corporation's Interim Statements (as such terms are defined below) and current liabilities incurred in the ordinary course of business.

10.6 LITIGATION. To the best of Surviving Corporation's knowledge, there are no Proceedings pending or threatened against Surviving Corporation which could have a material adverse effect on the assets and properties, liabilities, business, financial condition, operations, results of operations or future prospects of Surviving Corporation or the transactions contemplated by this Agreement. To the best of Surviving Corporation's knowledge, no event has occurred or circumstance exists that may give rise to or serve as a basis for commencement of any such Proceeding. Surviving Corporation is not presently engaged in any Proceeding to recover monies due Surviving Corporation or damages sustained by Surviving Corporation.

10.7 INSURANCE. Surviving Corporation has maintained and now maintains and will continue to maintain through the Effective Date and from and after the

Effective Date (i) insurance on all of its assets and properties of the type and amount of coverage customarily insured for the conduct and operation of Surviving Corporation's business, covering property damage and loss by fire or other casualty; and (ii) adequate insurance protection from and against all liabilities, claims and risks which is customary for the conduct of Surviving Corporation's type of business.

10.8 ENVIRONMENTAL MATTERS. To the best of Surviving Corporation's knowledge, Surviving Corporation is and at all times prior to the date hereof has been in full compliance with all Environmental Laws. There are no claims, liens, encumbrances or other restrictions existing or threatened or proposed in writing and arising under or pursuant to any Environmental Law with respect to or affecting any property, facility or other assets of Surviving Corporation. Surviving Corporation has not received nor has any reason to expect any order, notice, inquiry, citation, summons, directive or any other indication that alleges or suggests actual or potential violation or failure to comply with any Environmental Law or of any actual or potential obligation to undertake or bear the cost of any environmental liability.

10.9 FINANCIAL STATEMENTS. Surviving Corporation has furnished to Disappearing Corporation, Surviving Corporation's Financial Statements for the period ending June 30, 2012 ("Surviving Corporation's Financial Statements"). Surviving Corporation has also provided Disappearing Corporation with such interim financial reports as are available to it as prepared through April 30, 2013 ("Surviving Corporation's Interim Statements").

10.10 SUBSEQUENT EVENTS. Since April 30, 2013, there have been no adverse changes in the assets and properties, liabilities, business, or financial condition of Surviving Corporation; and since June 30, 2012, there have been no adverse changes in the tax-exempt and public charity status, operations, results of operations, or future prospects of Surviving Corporation, excluding certain changes not specific to Surviving Corporation (e.g., general political, economic, or financial market conditions; acts of terrorism or war).

10.11 TAX STATUS. Surviving Corporation is in possession of a determination letter from the Internal Revenue Service stating that Surviving Corporation is exempt from tax under Section 501(c)(3) of the Code, and is described in Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Code. To the best of Surviving Corporation's knowledge, nothing has transpired since the date of issuance of such determination letter that would cause the Internal Revenue Service to revoke such determination. Over the past five (5) taxable years immediately preceding the current year, Surviving Corporation's "public support" meets or exceeds thirty-three and one-third percent (33 1/3%) of its "total support" on an aggregate basis, as such quoted terms are defined under Section 1.170A-9 of the Treasury Regulations.

11. COVENANTS OF DISAPPEARING CORPORATION.

11.1 GENERAL. Disappearing Corporation will use its commercially reasonable best efforts to take all actions, including any actions in connection with any required notices to, filings with, and authorizations, consents and approvals of governments and governmental agencies and do all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

11.2 NOTICES AND CONSENTS. Disappearing Corporation will give any notices to third parties and will use its commercially reasonable best efforts to obtain any third party approvals or consents that Surviving Corporation may reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

11.3 FINAL TAX RETURNS AND FILINGS. Prior to the Effective Date, Disappearing Corporation will provide, to the reasonable satisfaction of Surviving Corporation, for the preparation and filing of all final tax returns and other reports to administrative agencies which may be due and owing by Disappearing Corporation, such filings to occur within a reasonable time after the Effective Date and to reflect, where appropriate, the merger contemplated by this Agreement.

12. COVENANTS OF SURVIVING CORPORATION.

12.1 GENERAL. Surviving Corporation will use its commercially reasonable best efforts to take all actions, including any actions in connection with any required notices to, filings with, and authorizations, consents and approvals or governments and governmental agencies and do all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

12.2 NOTICES AND CONSENTS. Surviving Corporation will give any notices to third parties and will use its commercially reasonable best efforts to obtain any third party approvals or consents that Disappearing Corporation may reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

12.3 INSURANCE. Surviving Corporation will maintain in full force and effect insurance of equal or greater types and limits as that currently maintained by Disappearing Corporation as of the date of this Agreement.

12.4 GOVERNANCE. Immediately following the Effective Date, Surviving Corporation will have a board of directors composed of all current directors of Surviving Corporation and several current directors of Disappearing Corporation; provided, however, that a majority of Surviving Corporation board of directors will consist of current directors of Surviving Corporation.

13. CONDITIONS TO CLOSING. The obligations of Disappearing Corporation and Surviving Corporation to consummate the transactions contemplated herein are subject to the satisfaction, on or prior to the Effective Date, of each of the following conditions:

13.1 REQUIRED APPROVALS AND CONSENTS. All of the required approvals and/or consents set forth in Section 4 of this Agreement must have been obtained.

13.2 REPRESENTATIONS AND WARRANTIES. All representations and warranties made herein must be true and correct in all material respects at and as of the date of this Agreement and as of the Effective Date as if made on such date; provided that either party may waive this condition as to any representation or warranty made by the other party.

14. AMENDMENTS AND WAIVERS. The parties may amend any provision of this Agreement at any time prior to the Effective Date with a prior authorization of their respective boards of directors. No amendment will be valid unless it is in writing and signed by both parties. No waiver by either party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent occurrence.

15. SEVERABILITY. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity and enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties agree that the court making the determination of invalidity or unenforceability will have the power to reduce the scope, duration or area of the term or provision to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid or enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement will be enforceable as so modified after the expiration of the time in which the judgment may be appealed.

16. EXPENSES. Each of the parties will bear its own costs and expenses (including, without limitation, legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

17. GOVERNING LAW. This Agreement, and any dispute arising from the relationship between the parties to this Agreement, will be governed by California law, without regard to the conflict of laws provisions thereof.

18. ATTORNEYS' FEES. In the event any party brings an action at law or in equity to enforce, interpret or redress the breach of this Agreement (including, without limitation, any suit, arbitration, entry of judgment, post-judgment motion or enforcement, appeal, bankruptcy litigation, attachment or levy), the prevailing party in such action will be entitled to its litigation expenses and reasonable attorneys' fees incurred in addition to all other relief as may be allowed by law.

19. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS. The representations, warranties, covenants and agreements of the parties contained in this Agreement, and any document provided for in it, will survive this Agreement and the consummation of the transactions contemplated by this Agreement.

20. SECTION HEADINGS. The section headings contained in this Agreement are inserted for convenience only and do not affect in any way the meaning or interpretation of this Agreement.

21. ENTIRE AGREEMENT. This Agreement, the Letter of Intent, and the Plan of Organization together constitute the entire agreement of the parties on the subjects of such

documents, superseding any prior written or oral agreements between them on the same subjects.

22. FURTHER ASSURANCES. Upon request by Surviving Corporation, Disappearing Corporation will execute and deliver any documents and instruments and take any actions desirable or necessary to vest in Surviving Corporation the title to and possession of all rights, assets, properties, trusts, and business of Disappearing Corporation or otherwise to carry out the full intent and purpose of this Agreement.

23. INTERPRETATION. In the event of any ambiguity in the interpretation of this Agreement, the interpretation of this Agreement will not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the draftsperson.

24. CUMULATIVE RIGHTS AND REMEDIES. The rights and remedies in this Agreement are cumulative, and in addition to, any duties, obligations, rights and remedies otherwise provided by law.

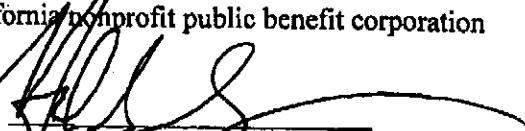
25. TIME OF THE ESSENCE. All times stated in this Agreement are of the essence.

26. COUNTERPARTS/FACSIMILE SIGNATURE. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A signature of a person on behalf of a party hereto sent via facsimile, or a scanned copy of such signature sent via electronic mail, will be binding on such signing person and the party for whom such person is signing.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

**HealthRIGHT360,
a California nonprofit public benefit corporation**

By:



Harlan Grossman
Chair of the Board

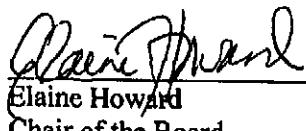
By:



Tamara Mason
Secretary

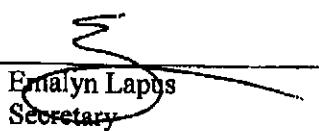
**ASIAN AMERICAN RECOVERY SERVICES,
INC.,
a California nonprofit public benefit corporation**

By:



Elaine Howard
Chair of the Board

By:



Emalyn Lapus
Secretary

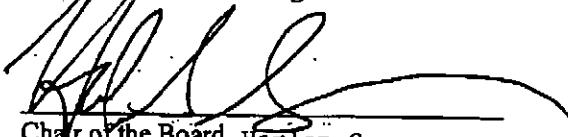
**CERTIFICATE OF APPROVAL
OF
MERGER AGREEMENT
BY
HealthRIGHT 360**

The undersigned, Harlan Grossman and Tamara Mason certify that:

1. They are the Chair of the Board and Secretary, respectively, of HealthRIGHT 360, a California Nonprofit Public Benefit Corporation.
2. The principal terms of the Merger Agreement in the form attached were duly approved by the required vote of the Board of Directors of this corporation.
3. This corporation has no voting members.
4. No other approvals are required.
5. The Attorney General of the State of California has been given notice of the merger.

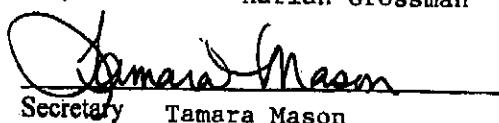
We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct to our own knowledge.

Dated: Dec. 20, 2013



Chair of the Board Harlan Grossman

Dated: Dec. 20, 2013



Tamara Mason
Secretary Tamara Mason

**CERTIFICATE OF APPROVAL
OF
MERGER AGREEMENT
BY
ASIAN AMERICAN RECOVERY SERVICES, INC.**

The undersigned, Elaine Howard and Emalyn Lapus certify that:

1. They are the Chair of the Board and Secretary, respectively, of Asian American Recovery Services, Inc., a California Nonprofit Public Benefit Corporation.
2. The principal terms of the Merger Agreement in the form attached were duly approved by the required vote of the Board of Directors of this corporation.
3. This corporation has no voting members.
4. No other approvals are required.
5. The Attorney General of the State of California has been given notice of the merger.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: Dec. 20, 2013


Elaine Howard
Chair of the Board Elaine Howard

Dated: Dec. 20, 2013


Emalyn Lapus
Secretary Emalyn Lapus

KAMALA D. HARRIS
Attorney General

State of California
DEPARTMENT OF JUSTICE



455 GOLDEN GATE AVENUE, SUITE 11000
SAN FRANCISCO, CA 94102-7004

Public: (415) 703-5500
Telephone: (415) 703-5715
Facsimile: (415) 703-5480
E-Mail: Elizabeth.Kim@doj.ca.gov

December 2, 2013

Ingrid Mittermaier, Esq.
Adler & Colvin
235 Montgomery Street
Russ Building, Suite 1220
San Francisco, CA 94101

RE: HealthRight 360 (Surviving Corporation, CT No. 011546) and Asian American Recovery Services, Inc. (Disappearing Corporation, CT No. 061156)

Dear Ms. Mittermaier:

This will acknowledge receipt of your notice, pursuant to Corporations Code section 6010, of the proposed merger of the above-referenced California nonprofit public benefit corporations, including a copy of the proposed agreement of merger. Based on the representations made in the documents you have provided, this Office has no objection to the proposed transaction.

Please supply a copy of the signed merger agreement certified by the Secretary of State to the Registry of Charitable Trusts, P.O. Box 903447, Sacramento, CA 94203 4470, when such is made available to you.

No later than 4 months and 15 days after the closing date of the merger, the disappearing corporation, Asian American Recovery Services, Inc., must file a closing periodic report with the Registry of Charitable Trusts at the following address: P.O. Box 903447, Sacramento, CA 94203-4470.

Sincerely,

ELIZABETH S. KIM
Supervising Deputy Attorney General

For KAMALA D. HARRIS
 Attorney General

ESK:

cc: Registry of Charitable Trusts

A0754807

FILED *Ely Jm*Secretary of State
State of CaliforniaMAY 01 2014
Jee

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MERGER AGREEMENT

THIS MERGER AGREEMENT (this "Agreement") dated March 26, 2014, is entered into by and between HealthRIGHT 360, a California nonprofit public benefit corporation (the "Surviving Corporation"), and Women's Recovery Association of San Mateo County, Inc., a California nonprofit public benefit corporation (the "Disappearing Corporation").

RECITALS

A. This Agreement is being entered into pursuant to a Letter of Intent dated February 19, 2014, by and between Surviving Corporation and Disappearing Corporation (the "Letter of Intent"). This Agreement does not terminate the Binding Provisions (as defined in the Letter of Intent). The Disappearing Corporation and the Surviving Corporation are also entering into an Organization Plan Agreement, dated March 26, 2014 (the "Organization Plan"). This Agreement, the Letter of Intent, the Organization Plan, are intended to be construed together to effectuate their purposes.

B. The board of directors of Surviving Corporation and the board of directors of Disappearing Corporation have determined that it is advisable and in the best interests of their respective corporations that Disappearing Corporation merge into Surviving Corporation, and in conjunction therewith, have approved the terms and conditions of this Agreement and, accordingly, have agreed to effect the merger upon the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing **Recitals** and the mutual promises, covenants and agreements contained herein, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and accepted, the parties to this Agreement hereby agree as follows:

AGREEMENT

1. **PARTIES' INTENT.** The parties intend by this Agreement to set forth the terms and conditions of a merger, subject to approvals as required by law and by the articles of incorporation and bylaws of the parties.

2. **NO VOTING MEMBERS.** Because neither Disappearing Corporation nor Surviving Corporation has voting members, there is no conversion of voting memberships of Disappearing Corporation into voting memberships of Surviving Corporation.

3. **EFFECTIVE DATE.** When all applicable laws have been complied with and all necessary authorizations, approvals, or consents have been received, and all conditions have been satisfied pursuant to the terms of this Agreement, Surviving Corporation will submit a copy of this Agreement, together with an officer's certificate of each of Surviving Corporation and Disappearing Corporation, to the California Secretary of State for filing. This merger will become effective on the date of filing. The date on which the merger becomes effective is referred to in this Agreement as the "Effective Date."

4. APPROVALS AND CONSENTS. This merger is subject to receipt of the approvals and/or consents of any person or persons required by law, to the extent that the absence of such approvals and/or consents would materially and adversely affect either or both parties. If any such approvals and/or consents are not duly obtained, this Agreement is to be terminated, as provided in **Section 8** of this Agreement.

5. STATEMENT OF MERGER. It is agreed by the parties that on the Effective Date, as determined under **Section 3** of this Agreement, Disappearing Corporation will be merged into Surviving Corporation, the corporate existence of Surviving Corporation will continue, and the separate corporate existence of Disappearing Corporation will cease. The corporate identity, existence, purposes, powers, rights, and immunities of Disappearing Corporation will be merged into and vested in Surviving Corporation and, except as otherwise provided in this Agreement, the corporate identity, existence, name, purposes, powers, rights, and immunities of Surviving Corporation will continue unaffected and unimpaired by the merger.

Surviving Corporation will be subject to all of Disappearing Corporation's debts, liabilities, and trust obligations in the same manner as if Surviving Corporation had itself incurred them, and all rights of creditors and all liens and trust obligations on or arising from the property of each constituent corporation will be preserved unimpaired, as long as such liens and trust obligations on the property of Disappearing Corporation, if any, will be limited to the property affected by such liens and obligations immediately before the Effective Date.

6. ARTICLES AND BYLAWS. Surviving Corporation's articles of incorporation in effect immediately preceding the Effective Date will be and remain its articles of incorporation until amended or repealed as provided by law. Surviving Corporation's bylaws in effect immediately preceding the Effective Date will be and remain its bylaws until amended or repealed as provided by law.

7. ACTIVITIES PROHIBITED DURING MERGER. Between the date of this Agreement and the Effective Date or date of the termination of this Agreement, neither Surviving Corporation nor Disappearing Corporation may, without the prior written consent of the other, engage in any activity or transaction other than in the ordinary course of its affairs, except as contemplated by this Agreement.

8. TERMINATION OR ABANDONMENT. This Agreement may be terminated and the merger abandoned at any time before the Effective Date (a) by the mutual consent of the respective boards of directors of Disappearing Corporation and Surviving Corporation; (b) if in the opinion of the board of directors of either Disappearing Corporation or Surviving Corporation, evidenced by a certified copy of resolutions of that board of directors filed with the other party to this Agreement, the merger is impractical or undesirable because of any of the following facts or circumstances: (i) the occurrence of a material and adverse change in the other party's activities, holdings, or financial position; or (ii) an opinion of counsel that the merger would pose a substantial risk to Surviving Corporation's exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or to Surviving

Corporation's recognized status as a public charity described by Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Code. If termination occurs as provided in this **Section 8**, neither Disappearing Corporation nor Surviving Corporation or their respective boards of directors will be liable to the other or its board of directors based upon, arising from, or relating to this Agreement or the termination hereof.

9. REPRESENTATIONS AND WARRANTIES OF DISAPPEARING CORPORATION. Disappearing Corporation represents and warrants to Surviving Corporation that the statements contained in this **Section 9** are correct and complete as of the date of this Agreement and will be correct and complete as of the Effective Date (as though made then and as though the Effective Date were substituted for the date of this Agreement throughout this **Section 9**), except as otherwise set forth in this Agreement or on a schedule or exhibit hereto.

9.1 ORGANIZATION AND CORPORATE POWER. Disappearing Corporation is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California. Disappearing Corporation has the full right, power, legal capacity and authority to conduct and operate its business and carry on the programs and activities in which it is engaged and to own and use the properties owned and used by it, as now being conducted and operated and carried on.

9.2 AUTHORIZATION OF TRANSACTION. Disappearing Corporation and the persons executing this Agreement on behalf of Disappearing Corporation have the full right, power, legal capacity and authority to execute and deliver this Agreement and to execute and deliver all other documents and instruments and to perform all other acts as may be necessary in connection with the performance of Disappearing Corporation's obligations under this Agreement. Disappearing Corporation has no voting members, and its board of directors has the sole authority to authorize the transactions contemplated by this Agreement. This Agreement constitutes the valid and legally binding obligation of Disappearing Corporation enforceable in accordance with its terms and conditions.

9.3 BOARD OF DIRECTORS APPROVAL AND ADOPTION. The board of directors of Disappearing Corporation has approved and adopted resolutions ratifying and approving the transactions contemplated by this Agreement and the terms and conditions of this Agreement; and, no further approval or adoption of resolutions is required or necessary.

9.4 NONCONTRAVENTION. Neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will (i) violate any government regulation or statute, any court order to which Disappearing Corporation is subject or any provision of Disappearing Corporation's articles of incorporation or bylaws, as amended; or (ii) conflict with, result in a breach of, constitute a default under, create in any third party the right to accelerate, terminate, modify or require any notice under any contract or any other obligation to which Disappearing Corporation is a party or by which it is bound or to which its assets and properties are subject, except where such violation, conflict, breach, default, acceleration, termination, modification or failure to give notice would not have a material adverse effect on the ability of the parties to consummate the transactions contemplated by this Agreement.

9.5 NO UNDISCLOSED LIABILITIES. All liabilities of Disappearing Corporation are either reflected on Disappearing Corporation's Financial Statements and Disappearing Corporation's Interim Statements (as such terms are defined below) or are current liabilities incurred in the ordinary course of business.

9.6 LITIGATION. To the best of Disappearing Corporation's knowledge, (i) Disappearing Corporation is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality; and (ii) there is no action, suit or proceeding at law or in equity or any arbitration or any legal, administrative or other proceeding by or before any governmental or other instrumentality or agency (each a "Proceeding" and collectively, the "Proceedings") pending or threatened against Disappearing Corporation that would have a material adverse effect on the assets and properties, liabilities, business, financial condition, operations, results of operations of Disappearing Corporation or the transactions contemplated by this Agreement. To the best of Disappearing Corporation's knowledge, no event has occurred or circumstance exists that may give rise to or serve as a basis for commencement of any such Proceeding. Disappearing Corporation is not presently engaged in any Proceeding to recover monies due Disappearing Corporation or damages sustained by Disappearing Corporation.

9.7 INSURANCE. Disappearing Corporation has maintained and now maintains and will continue to maintain through the Effective Date (i) insurance on all of its assets and properties of the type and amount of coverage customarily insured for the conduct and operation of Disappearing Corporation's business, covering property damage and loss by fire or other casualty; and (ii) adequate insurance protection from and against all liabilities, claims and risks which is customary for the conduct and operation of Disappearing Corporation's type of business.

9.8 ENVIRONMENTAL MATTERS. To the best of Disappearing Corporation's knowledge, Disappearing Corporation is and at all times prior to the date of this Agreement has been in full compliance with all statutes, treaties, ordinances, rules, regulations or other laws enacted or enforced by any government or governmental agency and designed to protect resources, species or ecological matter or reduce, prevent or minimize the effects (whether actual or potential) of any hazardous waste, material or substance (each an

“Environmental Law” and collectively, the “Environmental Laws”). There are no claims, liens, encumbrances or other restrictions existing or threatened or proposed in writing and arising under or pursuant to any Environmental Law with respect to or affecting any property, facility or other assets of Disappearing Corporation. Disappearing Corporation has not received nor has any reason to expect any order, notice, inquiry, citation, summons, directive or any other indication that alleges or suggests actual or potential violation or failure to comply with any Environmental Law or of any actual or potential obligation to undertake or bear the cost of any environmental liability.

9.9 FINANCIAL STATEMENTS. Disappearing Corporation has furnished to Surviving Corporation the financial statements for the period ending June 30, 2013 (“Disappearing Corporation’s Financial Statements”). Disappearing Corporation has also provided Surviving Corporation with such interim financial reports as are available to it as prepared through January 31, 2014 (“Disappearing Corporation’s Interim Statements”).

9.10 SUBSEQUENT EVENTS. Since January 31, 2014, there have been no material adverse changes in the assets and properties, liabilities, business, or financial condition of Disappearing Corporation; and since June 30, 2013, there have been no adverse changes in the tax-exempt and public charity status, operations, results of operations, or future prospects of Disappearing Corporation, excluding certain changes not specific to Disappearing Corporation (e.g., general political, economic, or financial market conditions; acts of terrorism or war).

9.11 TAX STATUS. Disappearing Corporation is in possession of a determination letter from the Internal Revenue Service stating that Disappearing Corporation is exempt from tax under Section 501(c)(3) of the Code, and is described in Section 509(a)(2) of the Code. To the best of Disappearing Corporation’s knowledge, nothing has transpired since the date of issuance of such determination letter that would cause the Internal Revenue Service to revoke such determination. Over the past five (5) taxable years immediately preceding the current year, Disappearing Corporation has met the “one-third-support test” and the “not-more-than-one-third support test”, as such quoted terms are defined under Section 1.509(a)-3(a) of the Treasury Regulations.

10. REPRESENTATION AND WARRANTIES OF SURVIVING CORPORATION. Surviving Corporation represents and warrants to Disappearing Corporation that the statements contained in this **Section 10** are correct and complete as of the date of this Agreement and will be correct and complete as of the Effective Date (as though made then and as though the Effective Date were substituted for the date of this Agreement throughout this **Section 10**), except as otherwise set forth in this Agreement or on any schedule or exhibit hereto.

10.1 ORGANIZATION AND CORPORATE POWER. Surviving Corporation is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California. Surviving Corporation has the full right, power, legal capacity and authority to conduct and operate its business and carry on the programs

and activities in which it is engaged and to own and use the properties owned and used by it, as now being conducted and operated and carried on.

10.2 AUTHORIZATION OF TRANSACTION. Surviving Corporation and the persons executing this Agreement on behalf of Surviving Corporation have the full right, power, legal capacity and authority to execute and deliver this Agreement and to execute and deliver all other documents and instruments and to perform all other acts as may be necessary in connection with the performance of Surviving Corporation's obligations under this Agreement. Surviving Corporation has no voting members, and its board of directors has the sole authority to authorize the transactions contemplated by this Agreement. This Agreement constitutes the valid and legally binding obligation of Surviving Corporation enforceable in accordance with its terms and conditions.

10.3 BOARD OF DIRECTORS APPROVAL AND ADOPTION. The board of directors of Surviving Corporation has approved and adopted resolutions ratifying and approving the transactions contemplated by this Agreement, the terms and conditions of this Agreement and the transactions contemplated by this Agreement and no further approval or adoption of resolutions is required or necessary.

10.4 NONCONTRAVENTION. Neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will (i) violate any government regulation or statute, any court order to which Surviving Corporation is subject or any provision of Surviving Corporation's articles of incorporation or bylaws, as amended; or (ii) conflict with, result in a breach of, constitute a default under, create in any third party the right to accelerate, terminate, modify or require any notice under any contract or any other obligation to which Surviving Corporation is a party or by which it is bound or to which its assets and properties are subject, except where such violation, conflict, breach, default, acceleration, termination, modification or failure to give notice would not have a material adverse effect on the ability of the parties to consummate the transactions contemplated by this Agreement.

10.5 NO UNDISCLOSED LIABILITIES. The liabilities for Surviving Corporation are those reflected on Surviving Corporation's Financial Statements and Surviving Corporation's Interim Statements (as such terms are defined below) and current liabilities incurred in the ordinary course of business.

10.6 LITIGATION. To the best of Surviving Corporation's knowledge, there are no Proceedings pending or threatened against Surviving Corporation which could have a material adverse effect on the assets and properties, liabilities, business, financial condition, operations, results of operations or future prospects of Surviving Corporation or the transactions contemplated by this Agreement. To the best of Surviving Corporation's knowledge, no event has occurred or circumstance exists that may give rise to or serve as a basis for commencement of any such Proceeding. Surviving Corporation is not presently engaged in any Proceeding to recover monies due Surviving Corporation or damages sustained by Surviving Corporation.

10.7 INSURANCE. Surviving Corporation has maintained and now maintains and will continue to maintain through the Effective Date and from and after the Effective Date (i) insurance on all of its assets and properties of the type and amount of coverage customarily insured for the conduct and operation of Surviving Corporation's business, covering property damage and loss by fire or other casualty; and (ii) adequate insurance protection from and against all liabilities, claims and risks which is customary for the conduct of Surviving Corporation's type of business.

10.8 ENVIRONMENTAL MATTERS. To the best of Surviving Corporation's knowledge, Surviving Corporation is and at all times prior to the date hereof has been in full compliance with all Environmental Laws. There are no claims, liens, encumbrances or other restrictions existing or threatened or proposed in writing and arising under or pursuant to any Environmental Law with respect to or affecting any property, facility or other assets of Surviving Corporation. Surviving Corporation has not received nor has any reason to expect any order, notice, inquiry, citation, summons, directive or any other indication that alleges or suggests actual or potential violation or failure to comply with any Environmental Law or of any actual or potential obligation to undertake or bear the cost of any environmental liability.

10.9 FINANCIAL STATEMENTS. Surviving Corporation has furnished to Disappearing Corporation, Surviving Corporation's Financial Statements for the period ending June 30, 2013 ("Surviving Corporation's Financial Statements"). Surviving Corporation has also provided Disappearing Corporation with such interim financial reports as are available to it as prepared through January 31, 2014 ("Surviving Corporation's Interim Statements").

10.10 SUBSEQUENT EVENTS. Since January 31, 2014, there have been no adverse changes in the assets and properties, liabilities, business, or financial condition of Surviving Corporation; and since June 30, 2013, there have been no adverse changes in the tax-exempt and public charity status, operations, results of operations, or future prospects of Surviving Corporation, excluding certain changes not specific to Surviving Corporation (e.g., general political, economic, or financial market conditions; acts of terrorism or war).

10.11 TAX STATUS. Surviving Corporation is in possession of a determination letter from the Internal Revenue Service stating that Surviving Corporation is exempt from tax under Section 501(c)(3) of the Code, and is described in Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Code. To the best of Surviving Corporation's knowledge, nothing has transpired since the date of issuance of such determination letter that would cause the Internal Revenue Service to revoke such determination. Over the past five (5) taxable years immediately preceding the current year, Surviving Corporation's "public support" meets or exceeds thirty-three and one-third percent (33 1/3%) of its "total support" on an aggregate basis, as such quoted terms are defined under Section 1.170A-9 of the Treasury Regulations.

11. COVENANTS OF DISAPPEARING CORPORATION.

11.1 GENERAL. Disappearing Corporation will use its commercially reasonable best efforts to take all actions, including any actions in connection with any required

notices to, filings with, and authorizations, consents and approvals or governments and governmental agencies and do all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

11.2 NOTICES AND CONSENTS. Disappearing Corporation will give any notices to third parties and will use its commercially reasonable best efforts to obtain any third party approvals or consents that Surviving Corporation may reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

11.3 FINAL TAX RETURNS AND FILINGS. Prior to the Effective Date, Disappearing Corporation will provide, to the reasonable satisfaction of Surviving Corporation, for the preparation and filing of all final tax returns and other reports to administrative agencies which may be due and owing by Disappearing Corporation, such filings to occur within a reasonable time after the Effective Date and to reflect, where appropriate, the merger contemplated by this Agreement.

12. COVENANTS OF SURVIVING CORPORATION.

12.1 GENERAL. Surviving Corporation will use its commercially reasonable best efforts to take all actions, including any actions in connection with any required notices to, filings with, and authorizations, consents and approvals or governments and governmental agencies and do all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

12.2 NOTICES AND CONSENTS. Surviving Corporation will give any notices to third parties and will use its commercially reasonable best efforts to obtain any third party approvals or consents that Disappearing Corporation may reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

12.3 INSURANCE. Surviving Corporation will maintain in full force and effect insurance of equal or greater types and limits as that currently maintained by Disappearing Corporation as of the date of this Agreement.

12.4 GOVERNANCE. Immediately following the Effective Date, Surviving Corporation will have a board of directors composed of all current directors of Surviving Corporation and several current directors of Disappearing Corporation; provided, however, that a majority of Surviving Corporation board of directors will consist of current directors of Surviving Corporation.

13. CONDITIONS TO CLOSING. The obligations of Disappearing Corporation and Surviving Corporation to consummate the transactions contemplated herein are subject to the satisfaction, on or prior to the Effective Date, of each of the following conditions:

13.1 REQUIRED APPROVALS AND CONSENTS. All of the required approvals and/or consents set forth in Section 4 of this Agreement must have been obtained.

13.2 REPRESENTATIONS AND WARRANTIES. All representations and warranties made herein must be true and correct in all material respects at and as of the date of this Agreement and as of the Effective Date as if made on such date; provided that either party may waive this condition as to any representation or warranty made by the other party.

14. AMENDMENTS AND WAIVERS. The parties may amend any provision of this Agreement at any time prior to the Effective Date with a prior authorization of their respective boards of directors. No amendment will be valid unless it is in writing and signed by both parties. No waiver by either party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent occurrence.

15. SEVERABILITY. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity and enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties agree that the court making the determination of invalidity or unenforceability will have the power to reduce the scope, duration or area of the term or provision to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid or enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement will be enforceable as so modified after the expiration of the time in which the judgment may be appealed.

16. EXPENSES. Each of the parties will bear its own costs and expenses (including, without limitation, legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

17. GOVERNING LAW. This Agreement, and any dispute arising from the relationship between the parties to this Agreement, will be governed by California law, without regard to the conflict of laws provisions thereof.

18. ATTORNEYS' FEES. In the event any party brings an action at law or in equity to enforce, interpret or redress the breach of this Agreement (including, without limitation, any suit, arbitration, entry of judgment, post-judgment motion or enforcement, appeal, bankruptcy litigation, attachment or levy), the prevailing party in such action will be entitled to its litigation expenses and reasonable attorneys' fees incurred in addition to all other relief as may be allowed by law.

19. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS. The representations, warranties, covenants and agreements of the parties contained in this Agreement, and any document provided for in it, will survive this Agreement and the consummation of the transactions contemplated by this Agreement.

20. SECTION HEADINGS. The section headings contained in this Agreement are inserted for convenience only and do not affect in any way the meaning or interpretation of this Agreement.

21. ENTIRE AGREEMENT. This Agreement, the Letter of Intent, and the Organization Plan Agreement together constitute the entire agreement of the parties on the subjects of such documents, superseding any prior written or oral agreements between them on the same subjects.

22. FURTHER ASSURANCES. Upon request by Surviving Corporation, Disappearing Corporation will execute and deliver any documents and instruments and take any actions desirable or necessary to vest in Surviving Corporation the title to and possession of all rights, assets, properties, trusts, and business of Disappearing Corporation or otherwise to carry out the full intent and purpose of this Agreement.

23. INTERPRETATION. In the event of any ambiguity in the interpretation of this Agreement, the interpretation of this Agreement will not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the draftsperson.

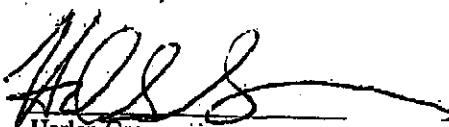
24. CUMULATIVE RIGHTS AND REMEDIES. The rights and remedies in this Agreement are cumulative, and in addition to, any duties, obligations, rights and remedies otherwise provided by law.

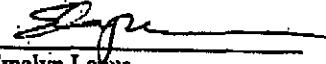
25. TIME OF THE ESSENCE. All times stated in this Agreement are of the essence.

26. COUNTERPARTS/FACSIMILE SIGNATURE. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A signature of a person on behalf of a party hereto sent via facsimile, or a scanned copy of such signature sent via electronic mail, will be binding on such signing person and the party for whom such person is signing.

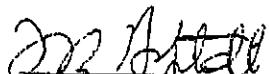
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

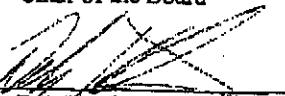
HealthRIGHT 360,

By: 
Harlan Grossman
Chair of the Board

By: 
Emalyn Lapus
Secretary

COUNTY
WOMEN'S RECOVERY ASSOCIATION OF
SAN MATEO, INC.,

By: 
Thomas Hofstedt
Chair of the Board

By: 
Dek Ketchum
Secretary

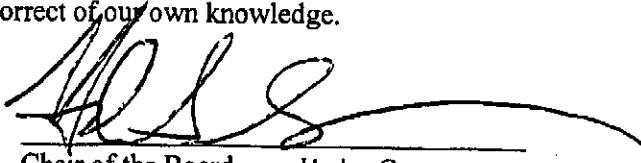
**CERTIFICATE OF APPROVAL
OF
MERGER AGREEMENT
BY
HealthRIGHT 360**

The undersigned, Harlan Grossman and Emalyn Lapus certify that:

1. They are the Chair of the Board and Secretary, respectively, of HealthRIGHT 360, a California Nonprofit Public Benefit Corporation.
2. The principal terms of the Merger Agreement in the form attached were duly approved by the required vote of the Board of Directors of this corporation.
3. This corporation has no voting members.
4. No other approvals are required.
5. The Attorney General of the State of California has been given notice of the merger.

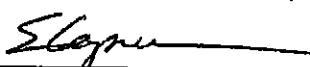
We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: April 11, 2014



Chair of the Board Harlan Grossman

Dated: April 11, 2014



Secretary Emalyn Lapus

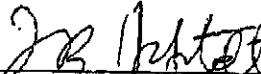
**CERTIFICATE OF APPROVAL
OF
MERGER AGREEMENT
BY
WOMEN'S RECOVERY ASSOCIATION OF SAN MATEO COUNTY, INC.**

The undersigned, Thomas Hofstedt and Dek Ketchum certify that:

1. They are the Chair of the Board and Secretary, respectively, of Women's Recovery Association of San Mateo County, Inc., a California Nonprofit Public Benefit Corporation.
2. The principal terms of the Merger Agreement in the form attached were duly approved by the required vote of the Board of Directors of this corporation.
3. The voting members of this corporation are the Board of Directors.
4. No other approvals are required.
5. The Attorney General of the State of California has been given notice of the merger.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: April 11, 2014


Chair of the Board Thomas Hofstedt

Dated: April 11, 2014


Secretary Dek Ketchum

A0754807

KAMALA D. HARRIS
Attorney General

State of California
DEPARTMENT OF JUSTICE



455 GOLDEN GATE AVENUE, SUITE 11000
SAN FRANCISCO, CA 94102-7004

Public: (415) 703-5500
Telephone: (415) 703-5715
Facsimile: (415) 703-5480
E-Mail: Elizabeth.Kim@doj.ca.gov

April 11, 2014

Ingrid Mittermaier, Esq.
Adler & Colvin
235 Montgomery Street,
Russ Building, Suite 1220
San Francisco, CA 94104

RE: Merger of HealthRIGHT 360 (CT No. 008492) and Women's Recovery Association of San Mateo County, Inc. (CT No. 013067)

Dear Ms. Mittermaier:

This will acknowledge receipt of your notice, pursuant to Corporations Code section 6010, of the proposed merger of the above-referenced California nonprofit public benefit corporations, including a copy of the proposed agreement of merger. Based on the representations made in the documents you have provided, this Office has no objection to the proposed transaction.

Please supply a copy of the signed merger agreement certified by the Secretary of State to the Registry of Charitable Trusts, P.O. Box 903447, Sacramento, CA 94203 4470, when such is made available to you.

No later than 4 months and 15 days after the closing date of the merger, the disappearing corporation, Women's Recovery Association of San Mateo County, Inc., must file a closing periodic report with the Registry of Charitable Trusts at the following address: P.O. Box 903447, Sacramento, CA 94203-4470.

Sincerely,

ELIZABETH S. KIM
Supervising Deputy Attorney General

For KAMALA D. HARRIS
 Attorney General

ESK:

cc: Registry of Charitable Trusts



I hereby certify that the foregoing
transcript of 57 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

JUN 10 2014 mkk

Date:

Debra Bowen
DEBRA BOWEN, Secretary of State



P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077550279
Nov. 23, 2012 LTR 4168C 0
94-6129071 000000 00
00042412
BODC: TE

HEALTHRIGHT 360
1735 MISSION STREET SUITE 2001
SAN FRANCISCO CA 94103-2417



006912

Employer Identification Number: 94-6129071
Person to Contact: Sophia Brown
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Oct. 03, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in July 1966.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

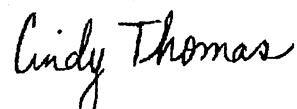
Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

4077550279
Nov. 23, 2012 LTR 4168C 0
94-6129071 000000 00
00042413

HEALTHRIGHT 360
1735 MISSION STREET SUITE 2001
SAN FRANCISCO CA 94103-2417

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Cindy Thomas
Manager, EO Determinations



Board Operations



Get Better. Do Better. Be Better.

**AMENDED AND RESTATED
BYLAWS
of
HEALTHRIGHT 360,
A California Nonprofit Public Benefit Corporation**

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ARTICLE I CORPORATE NAME

The name of this corporation is HealthRIGHT 360, a California nonprofit public benefit corporation (this “Corporation”).

ARTICLE II OFFICES

The principal office of this Corporation for the transaction of the activities and affairs of this Corporation is located at 1735 Mission Street, San Francisco, California 94103. This Corporation may establish branch or subordinate offices, either within or without the City of San Francisco, State of California, as the Governing Board (the “Board”) may determine or as the affairs of this Corporation may require. The Governing Board may change the location of the principal office. Any such change of the location of the principal office must be noted by the Secretary on these Bylaws opposite this Article; alternatively, this Article may be amended to state the new location.

ARTICLE III MEMBERS

This Corporation shall have no voting members, including the Chief Executive Officer, as defined by Section 5056 of the California Corporations Code (the “Corporations Code”). All powers that might otherwise be delegated to members shall be held by the Governing Board as hereinafter set forth. In its discretion, the Governing Board may admit individuals to one (1) or more classes of nonvoting members; and such nonvoting members shall have such rights and obligations as the Governing Board determines appropriate.

ARTICLE IV BOARD OF DIRECTORS

SECTION 1 GOVERNING BOARD

The affairs of this Corporation shall be managed by the Board of Directors (the “Governing Board” or “Board”). The members of the Governing Board (the “Governing Directors” or “Directors”) shall constitute the Board of Directors within the meaning of Corporations Code Section 5210 and shall at all times conduct themselves in compliance with the duties of directors as set forth in Corporations Code Section 5230 et seq. All matters requiring a vote of the Board of Directors shall be voted on by the Governing Directors only. The Governing Board shall have general and specific corporate powers.

SECTION 2 – NUMBER, TENURE & QUALIFICATIONS

(A) Number and Tenure

There shall be between nine (9) and twenty-five (25) voting members of the Board, with the exact authorized number of Directors to be fixed from time to time by resolution of the Governing Board. Governing Directors shall serve for terms of three (3) years, and the Governing Board shall by resolution provide a method for staggering terms whereby approximately one-third (1/3) of the Directors are to be elected in each calendar year. A Governing Director may be elected to a short term of less than three (3) years in order to meet the staggered terms objective, and any such short term shall not be counted as a term for purposes of the term limitation set forth in this section.

Except in those instances where a Governing Director may first be elected to fill a vacancy on the Governing Board and serve the remainder of the term if office of a Governing Director who has resigned or been removed from the Governing Board, no Director shall serve more than two (2) consecutive three (3) year terms on the Governing Board. After a Governing Director has been elected to two (2) full consecutive three (3) year terms on the Governing Board, the Director shall not be eligible to be elected to the Governing Board until a period of one (1) year has passed following the completion of the second term to which the Director has been elected.

(B) Member Qualifications

The voting membership of the Governing Board shall consist of Consumer Members and Community Members, as outlined by this sub-section:

(1) Consumer Members

51% or more of the voting members of the Governing Board shall be individuals who are served by the Corporation (the “Consumer Members”). The Consumer Members shall be reasonably representative of the geographical areas served by the Corporation and, as a group, shall represent the patient or client population in terms of demographic factors such as ethnicity, location of residence, race and gender, the corporation serves. The consumer member may also be a patient who is a member of a special population, or may be an advocate who has personally experienced being a member of, represent, have expertise in, or work closely with the special population.

(2) Community Members

The remaining voting members of the Governing Board (the “Community Members”) shall have a commitment to the populations that utilize services and the special needs of those populations, and they shall possess expertise in community affairs, local government, finance and banking, legal affairs, trade unions, community service agencies, and/or other commercial or industrial concerns. No more than one-half (50%) of these Community Members may derive more than ten percent (10%) of their annual income from the health care industry.

(3) Modification to Consumer and Community Membership Numbers

The Board composition requirements of (a) and (b) above shall not apply if, and to the extent that, the United States Secretary of Health and Human Services authorizes a waiver relating to such composition. In the event that the Corporation receives such a waiver either directly or as a sub-recipient, the Board will insure target population representation through target population members and/or target population advocates, and establish policies for receiving target population input.

SECTION 3 GENERAL CORPORATE POWERS

Subject to the provisions of the Articles of Incorporation of this Corporation, the Corporations Code and any other applicable laws, and any limitations in the Articles of Incorporation of this Corporation and these Bylaws, as may be amended from time to time, the business and affairs of this Corporation shall be managed, and all corporate powers of this Corporation shall be exercised by the Governing Board. The Governing Board may delegate the management of the activities of this Corporation to any person or persons, management company or committee however composed, provided that the activities and affairs of this Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Governing Board.

SECTION 4 SPECIFIC CORPORATE POWERS

Without prejudice to the foregoing general corporate powers, and subject to the same limitations, the Governing Board shall have the specific power to:

- (a) Select and remove any Governing Director.
- (b) Appoint and remove, at the pleasure of the Governing Board, all corporate officers, agents and employees; prescribe powers and duties for them as consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service.
- (c) Change the location of the principal executive office; cause this Corporation to be qualified to do business in any other state, territory, dependency or country and conduct business within or outside the State of California.
- (d) Borrow money and incur indebtedness on behalf of this Corporation and cause to be executed and delivered bonds, debentures, loan agreements, lines of credit, deeds of trust, mortgages, pledges, hypothecation and other evidences of debt and securities.
- (e) Adopt, make and use a corporate seal, if required; and alter the form of the seal and certificate.

SECTION 5 SPECIFIC RESPONSIBILITIES

Subject to any restrictions or limitations imposed by law, by the Articles of Incorporation, or by these Bylaws, the authority of the Corporation is vested in the Governing Board of Directors who shall have powers that include but are not limited to:

- (a) Holding monthly meetings;
- (b) Approval of the health center grant application and budget;
- (c) Selection/dismissal and performance evaluation of the CEO;
- (d) Selection and scope of services to be provided;
- (e) Selection of the locations and hours of operations;
- (f) Measuring and evaluating the organization's progress in meeting its annual and long-term programmatic and financial goals and developing plans for the long-range viability of the organization by engaging in strategic planning, ongoing review of the organization's mission and bylaws, evaluating patient satisfaction and quality of care objectives and monitoring organizational assets and performance; and
- (g) Establishment of general policies for the Corporation, including the following personnel and financial policies:
 - (i) Establishing personnel policies and procedures, including selection and dismissal procedures, salary and benefit scales, employee grievance procedures and equal opportunity practices; and
 - (ii) Adopting policies for financial management practices, including a system to assure accountability for the Corporation's resources, approval of agency audit, and eligibility for services including criteria for sliding and nominal fee payment schedules.
- (h) Assuring that the Corporation is operated in compliance with applicable Federal, State and local laws and regulations.
- (i) Approve the annual health center/organizations budget and audit.

SECTION 6 NOMINATION AND ELECTION TO THE GOVERNING BOARD

Before a meeting to elect a Governing Director, the Governance and Nominating Committee shall propose nominees to fill vacancies on the Governing Board that either then exist or will occur. With the advice of the Governance and Nominating Committee, the Board shall adopt procedures by which members of the public and persons who are expected beneficiaries of this Corporation's programs may nominate candidates for election to the Board. In accordance with the San Francisco Nonprofit Public Access Ordinance, the Corporation shall make good-faith efforts designed to promote the membership on the Governing Board of at least one person who is a recipient of the goods or services that the Corporation provides, or the recipient of like goods or services provided by another nonprofit organization.

The Governing Board shall elect successor Directors from among the nominees proposed either by the Governance and Nominating Committee, the Governing Directors, or the public.

SECTION 7 QUORUM

A majority of the total number of Governing Directors then in office shall constitute a quorum. Subject to the Corporations Code, the Articles of Incorporation and these Bylaws, every act or decision done or made by a majority of the Governing Directors present, at a meeting duly held at which a quorum of Governing Directors is present, shall be the act of the Governing Board. A meeting at which a quorum of Governing Directors is initially present may continue to transact business notwithstanding the withdrawal of some of the Governing Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

The following paragraphs in this section describe areas where a number of Governing Directors greater than a majority of a quorum is required in order to have the act or decision be an act of the Governing Board.

As described by the Corporations Code, the following areas require the vote of a majority of directors then in office: **(i)** appointments to Board Committees; **(ii)** removal of directors without cause; **(iii)** “self-dealing” transactions; **(iv)** transactions between corporations having common directorships; **(v)** compensation of officers; and **(vi)** indemnification of corporate agents.

Per these Bylaws, a two-thirds (2/3) majority vote of the Governing Directors present at a meeting duly held at which a quorum is present shall be required to remove any officer.

Per these Bylaws, appointments to any board Committee shall be by a majority vote of the Governing Directors then in office.

Per these Bylaws, amendments to these Bylaws shall be by a majority vote of the Governing Directors then in office.

SECTION 8 ANNUAL AND REGULAR MEETINGS

The annual meeting of the Governing Board shall be held at a time and place designated by the Governing Board. Generally, annual meetings are anticipated to occur in November, but the Board may designate another regular meeting as the annual meeting if appropriate. Regular meetings shall be held monthly at a time and place designated by the Governing Board. The regular meetings of the Governing Board shall be held at the principal offices of this Corporation or at such other location as may be designated by the Chair of the Board. The Governing Board may provide by resolution the time and place, either within or without the State of California, for the holding of additional special meetings of the Governing Board. The Governing Board may, at its discretion, invite any person to attend any meeting of the Board.

SECTION 9 SPECIAL MEETINGS

Special meetings of the Governing Board may be called by the Chair of the Board or Vice Chair of the Board, the President, the Secretary or by any two Governing Directors then in office and noticed in accordance with the provisions of these Bylaws. The person or persons

authorized to call special meetings of the Board may fix any place within the State of California for holding any special meeting of the Board called by them.

SECTION 10 PUBLIC ACCESS TO MEETINGS

(A) Nonprofit Public Access Ordinance

In any year where this Corporation receives a cumulative total of at least \$250,000 in funds provided by or administered by the City and County of San Francisco (the “City”), this Corporation shall comply with San Francisco Administrative Code Section 12L, the Nonprofit Public Access Ordinance (the “Ordinance”), as it may be amended from time to time.

(B) Public Meetings

If the Ordinance applies, this Corporation shall designate and hold at least two (2) designated public meetings per year (a “Public Meeting” or the “Public Meetings”). Issues addressed by the Governing Board at Public Meetings shall be of approximately the same general nature and significance to this Corporation as issues typically addressed by the Governing Board at its other meetings. These issues may include adoption of the Corporation’s budget, nominations to the Governing Board, and evaluation of the Corporation’s contract(s) with the City. During at least one Public Meeting, the public shall have an opportunity to address the Governing Directors about membership on the Governing Board and to propose candidates for the Governing Board.

(C) Closing a Public Meeting

The Governing Board may choose to close a portion of any Public Meeting in the following circumstances: **(i)** when the Governing Board is discussing matters pertaining to recipients of services from the Corporation or pertaining to donors to the Corporation when the discussion would necessarily reveal the identity of clients or donors; **(ii)** when the Governing Board is discussing any matters pertaining to litigation; real estate negotiations; employment, evaluation of performance, dismissal of an employee or other personnel matters; labor negotiations; review of complaints or charges against an employee of the Corporation; attorney-client privileged information; or information which constitutes trade secrets; **(iii)** where state or federal law would prohibit public access; or **(iv)** under any other circumstance where the City Board of Supervisors has approved the closing of a portion of a Public Meeting.

(D) Public Comment at Public Meetings

At every Public Meeting, the public shall have an opportunity to directly address the Governing Board on any item of interest to the public relating to the operations of or services provided by the Corporation. At any Public Meeting, the Governing Board may adopt reasonable procedures to insure that the intent of this Section is carried out, provided that the Governing Board allows for at least thirty (30) minutes of public comment at each Public Meeting.

(E) Notice of a Public Meeting

At least thirty (30) days in advance of any Public Meeting, the Governing Board shall provide a written notice of the date, time and location of the Public Meeting to (i) the Clerk of the City Board of Supervisors and (ii) the San Francisco Main Library Government Information Center. In addition, upon inquiry by a member of the public, the Corporation shall disclose the date, time and location of any Public Meeting.

SECTION 11 NOTICE OF SPECIAL MEETINGS

Notice of the time and place of any special meetings of the Governing Board shall be given to each Governing Director by (i) personal delivery of written notice; (ii) first-class mail, postage prepaid; (iii) telephone, including a voice messaging system or other system technology designed to record and communicate messages, or (iv) by electronic transmission (as such term is defined in Corporations Code Section 20) either directly to the Governing Directors or to a person at the applicable Governing Director's office who would reasonably be expected to communicate that notice promptly to the Governing Director. All such notices shall be given or sent to the Governing Directors' street address, telephone number, facsimile number, or electronic mail (email) address as shown on this Corporation's records. Notices sent by first-class mail shall be deposited in the United States Mail at least four (4) days before the time set for the special meeting. Notices given by personal delivery, telephone or electronic transmission shall be delivered, telephoned, emailed or sent, respectively, at least forty-eight (48) hours before the time set for the special meeting. The notice shall state the time of the meeting and the place, if the place is other than this Corporation's principal office. The notice need not specify the purpose of the special meeting.

SECTION 12 WAIVER OF NOTICE

Notice of a meeting need not be given to any Governing Director who, either before or after the meeting, signs a Waiver of Notice, a written consent to the holding of the meeting, or an approval of the minutes at the meeting. The Waiver of Notice or consent need not specify the purposes of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of the meeting need not be given to any Governing Director who attends the meeting and who before or at the beginning of the meeting, does not protest the lack of notice to him or her.

SECTION 13 AGENDA AND MINUTES

At least three (3) business days prior to any regular meeting of the Governing Board, the Chair of the Board shall distribute to all Governing Directors a draft agenda for the meeting. The agenda shall include, among other things, action to be taken for each agenda item. Also, by such date, the Chair of the Board shall distribute minutes for the previous Board meeting for approval at the upcoming meeting.

**SECTION 14 MEETINGS BY TELEPHONE OR OTHER
TELECOMMUNICATIONS EQUIPMENT**

Any meeting of the Governing Board may be held by conference telephone, video screen communication, or other communication equipment. Participation in a meeting of the Governing Board shall constitute presence in person at the meeting if both the following apply: **(i)** each Governing Director participating in the meeting can communicate concurrently with the other Governing Directors; and **(ii)** each Governing Director is provided the means of participating in all matters before the Governing Board including the capacity to propose or to interpose an objection to a specific action to be taken by this Corporation.

SECTION 15 ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Governing Board may be taken without a meeting if all Governing Directors individually or collectively consent in writing to such action. For purposes of this Section, “all Governing Directors” does not include an “interested director” as defined in Section 5233 of the Corporations Code or a “common director” as defined in Section 5234 of the Corporations Code, and such Director abstains in writing in accordance with the provisions of Section 5211(b) of the Corporations Code. Such written consent or consents, together with any abstentions, shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as any other validly approved Board action.

SECTION 16 GOVERNING DIRECTOR LEAVE OF ABSENCE

Any Governing Director in good standing, with tenure of three (3) or more months, may request a leave of absence from the Governing Board for a period of up to six (6) months. The request must be made in writing to the Chair of the Board or Vice Chair of the Board as soon as the Director becomes aware of the need for the leave of absence.

Upon receiving the request, the Governing Board will review the request at its next meeting and will vote on whether to grant the leave of absence or deny the request. The Governing Board may grant or not grant the request in its sole discretion, based on the needs of this Corporation and the Board at that time. No more than three (3) Governing Directors may be granted leave during the same period of time. The Board will not consider granting a leave of absence if doing so would reduce the number of Governing Directors below the requisite minimum of nine (9). If the leave is granted, the Director will be removed from the Governing Board for the period requested, and will be reinstated to the Governing Board at the conclusion of the leave. The leave will not extend the Governing Director’s term of service.

SECTION 17 REMOVAL

Any Governing Director may be removed with or without cause by the vote of the majority of the Governing Directors then in office.

Regular attendance at meetings is expected of all Governing Directors. Upon a finding by a vote of the Governing Board at any meeting that a Governing Director within any twelve (12) month period has missed four (4) or more of the regularly scheduled meetings of the Board, such Director shall be subject to removal from the Board in accordance with this Section.

SECTION 18 RESIGNATION OF DIRECTORS

Any Governing Director may resign by giving written notice to the Chair of the Board or to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Governing Director's resignation is effective at a later time, the Governing Board may elect a successor to take office as of the date when the resignation becomes effective.

SECTION 19 VACANCIES

A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. At any meeting of the Governing Board, one (1) or more persons may be nominated to fill vacant positions on the Governing Board. From the persons so nominated, the vacant position or positions may be filled for the unexpired portion of the term by vote of the Governing Board. If the number of Governing Directors then in office is less than a quorum, the vacancy may be filled by (i) the unanimous written consent of the Governing Directors then in office; (ii) the affirmative vote of a majority of the Governing Directors then in office at a meeting of the Board held according to notice or waivers of notice complying with Corporations Code Section 5211; or (iii) a sole remaining Governing Director.

SECTION 20 RESTRICTION ON INTERESTED PERSONS AS DIRECTORS

Pursuant to Title 42, Part 51c.304 of the Code of Federal Regulations, no Governing Director shall be an employee of this Corporation, or spouse or child, parent, brother or sister by blood or marriage of such employee. No more than twenty-five percent (25%) of the Governing Directors then serving may derive more than ten percent (10%) of their annual income from a source which is connected with or otherwise involved in the health care industry.

Pursuant to Section 5227 of the Corporations Code, at all times, not more than 49% of the Governing Directors of this Corporation may be interested persons. An interested person means either:

(a) any person currently being compensated by this Corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Governing Director in his or her capacity as director; or

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

SECTION 21 COMPENSATION

No Governing Director shall be entitled to receive compensation for his services as a director. By resolution of the Governing Board, this Corporation may authorize the advance or reimbursement to a director of actual reasonable expenses incurred in carrying out his duties as a director.

**ARTICLE V
OFFICERS****SECTION 1 OFFICERS**

The officers of this Corporation shall be the Chair of the Board, Vice Chair of the Board, Chief Executive Officer (who shall also be known as the President), Secretary and Chief Financial Officer. The Governing Board may elect such other officers as it shall deem necessary. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the Chief Executive Officer/President, the Chair of the Board or the Vice Chair of the Board.

SECTION 2 NOMINATION, ELECTION AND TERM OF OFFICE

Before a meeting to elect officers, the Governance and Nominating Committee shall propose names for election of the officer positions.

The Governing Board shall elect the officers of this Corporation at its annual meeting. If the election of officers shall not be held at the annual meeting, such election shall be held as soon thereafter as is convenient. Notwithstanding the foregoing, at any meeting of the Board, any Governing Director may nominate one (1) or more persons to fill any officer positions that have or will become vacant, or for the next regular term of office. Officers shall hold office until their successors shall have been duly elected.

The Chair of the Board, the Vice Chair of the Board and the Secretary shall not serve more than three (3) consecutive one (1) year terms in the same office.

SECTION 3 REMOVAL

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed by the Governing Board with or without cause. A two-thirds (2/3) majority vote of the Governing Directors present at a meeting duly held at which a quorum is present shall be required to remove any officer.

SECTION 4 OFFICER RESIGNATION

Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the

notice. Unless specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of this Corporation under any contract to which the officer is a party.

SECTION 5 VACANCIES

Any vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Governing Board for the unexpired portion of the term.

SECTION 6 CHAIR OF THE BOARD

The Chair of the Board shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Governing Board may assign from time to time. If the Chair of the Board is unable to attend any Board meeting, a Vice Chair of the Board shall be designated as the Acting Chair. If the Chair of the Board and the Vice Chair of the Board are unable to attend any Board meeting, the Chair of the Finance Committee shall be designated as the Acting Chair. In the event the Chair of the Board, the Vice Chair of the Board, and the Chair of the Finance Committee are unable to attend any Board Meeting, the quorum of the Governing Board shall designate an Acting Chair to preside over the meeting. The Chair of the Board shall be elected from among the Directors.

SECTION 7 VICE CHAIR OF THE BOARD

The Vice Chair of the Board shall, in the absence of the Chair, carry out the duties of the Chair and shall have such other powers and duties as may be prescribed by the Board or these Bylaws. The Vice Chair of the Board shall be elected from among the Directors.

SECTION 8 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall also be the President of this corporation and shall, subject to control of the Board, generally supervise, direct and control the business and other officers of this corporation. The Chief Executive Officer and President shall have the general powers and duties of management usually vested in the office of president of the corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

The hiring and employment of the Chief Executive Officer may be by contract, which contract shall not be effective without approval by the Governing Board. No contract for employment of a Chief Executive Officer shall impair the ability of the Board to remove the Chief Executive Officer in accordance with applicable law and these Bylaws. The Chief Executive Officer shall be responsible for and report to the Board on the condition of this Corporation and its programs at the regularly scheduled meetings of the Board or more frequently as requested by the Board.

SECTION 9 CHIEF FINANCIAL OFFICER

If required by the Governing Board, the Chief Financial Officer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Governing Board shall determine.

The Chief Financial Officer shall have charge and custody of and be responsible for all funds and securities of this Corporation, receive and give receipts for monies due and payable to this Corporation from any source whatsoever, and deposit all such monies in the name of this Corporation in such banks, trust companies, or other depositories as shall be approved by the Governing Board; and in general perform all the duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned by the Chief Executive Officer or by the Governing Board. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of this Corporation's properties and transactions. The Chief Financial Officer shall provide information to the Board on the financial condition of this Corporation at each regularly scheduled meeting of the Board, or more frequently as the Board may request. For all other purposes, including administration, supervision, review and retention, the Chief Financial Officer shall report to the Chief Executive Officer; provided that, the Chief Executive Officer shall consult with the Board immediately in connection with events concerning the employment status of the Chief Financial Officer.

SECTION 10 SECRETARY

Subject to oversight by the Chief Executive Officer, the Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board of Directors and its committees, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books of this corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws. The Secretary shall also keep a register of the post office address and email address of each Director which shall be furnished to the Secretary; and such other duties as may be assigned by the Governing Board or the Chief Executive Officer. The Secretary shall report to the Board at the annual meeting of the Board concerning the maintenance and location of records of this Corporation. The Secretary shall keep or cause to be kept, at the principal office of this Corporation, a copy of the Articles of Incorporation and these Bylaws, as amended to date. The Secretary shall be elected from among the Directors.

ARTICLE VI COMMITTEES

SECTION 1 BOARD COMMITTEES

By vote of a majority of the Governing Directors then in office, the Governing Board may create any number of Board Committees, each of which shall consist of two (2) or more Governing Directors, and no one who is not a Governing Director. Appointments to any Board Committee shall be by a majority vote of the Governing Directors then in office. The Governing Board may adopt rules for the governance of any committee so long as the rules are consistent

with these Bylaws. If the Governing Board has not adopted rules, the committee may do so. Board Committees may be given all the authority of the Board, except for the powers to:

- (a) set the number of directors within a range specified in these Bylaws;
- (b) elect directors or remove directors without cause;
- (c) fill vacancies on the Governing Board or on any Board Committee;
- (d) fix compensation of Directors for serving on the Board or any Board Committee;
- (e) amend or repeal these Bylaws or adopt new Bylaws;
- (f) adopt amendments to the Articles of Incorporation of the Corporation;
- (g) amend or repeal any resolution of the Governing Board which by its express terms is not so amendable or repealable;
- (h) create any other Board Committees or appoint the members of any Board Committees;
- (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of the Corporation; or
- (j) approve the expenditure of corporate funds to support a nominee for a Governing Director.

SECTION 2 EXECUTIVE COMMITTEE

The Executive Committee shall be a Board Committee and shall meet only when the Chair of the Board, or in her or his absence, the Vice Chair of the Board, or in his or her absence, the Secretary, reasonably determines that the business of the Board cannot practically be conducted by the full Board within the relevant time required for action by the Governing Board. The Executive Committee shall be comprised of the Chair of the Board, Vice Chair of the Board, Secretary, Chair of the Finance Committee and one (1) other Governing Director. Notwithstanding the foregoing, all Governing Directors shall be provided a reasonable opportunity to attend all meetings of the Executive Committee and afforded the opportunity to speak at all such meetings. The Executive Committee may invite any other person to attend any Executive Committee meeting; provided, however, that no individuals except the members of the Executive Committee shall be permitted to vote on matters before the Executive Committee. The Executive Committee may exclude from any meeting any person who is not a Governing Director.

Meeting and actions of the Executive Committee shall be governed by, held, and taken under the provisions of these Bylaws concerning meetings and other Governing Board actions.

Minutes of the Executive Committee meetings shall be kept and shall be filed with the corporate records of this Corporation.

SECTION 3 ADVISORY COMMITTEES

The Governing Board may establish one or more Advisory Committees to the Board and appoint the Chairs of any Advisory Committee. The members of any Advisory Committee may consist of Directors or non-Directors and may be appointed as the Governing Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the Corporation, but shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee. The Chair of any Advisory Committee shall be elected from the Governing Directors.

SECTION 4 STANDING ADVISORY COMMITTEES

The following Committees function as advisory committees of the Corporation and may include Directors and non-Directors in their composition.

(A) Finance Committee

The Finance Committee shall review the financial operations and financial reporting of this Corporation and shall make recommendations to the Board as necessary. The Finance Committee shall include at least three (3) Governing Directors. The Finance Committee shall meet monthly or with some other reasonable frequency determined by the Chair of the Finance Committee. At least two (2) Governing Directors must be present at each meeting of the Finance Committee and minutes of each meeting shall be submitted to the Governing Board within a reasonable time after each meeting.

(B) Development Committee

The Development Committee shall include at least two (2) Governing Directors and shall meet with some reasonable frequency as determined by the Chair of the Development Committee. The Development Committee shall:

- (i) oversee the development activities of this Corporation and the Board;
- (ii) develop methods and programs for generating gifts, grants and donations to this Corporation; and
- (iii) develop methods for increasing the visibility of this Corporation in coordination with and support of development activities of this Corporation.

(C) Governance and Nominating Committee

The Governance and Nominating Committee shall include at least two (2) Governing Directors and shall meet as necessary in connection with vacancies on the Governing Board and/or among the officer positions of this Corporation. The Governance and Nominating Committee shall:

- (i) evaluate new candidates and current Governing Directors;
- (ii) recommend candidates to fill vacancies on the Governing Board and the Officers of this Corporation;
- (iii) review with the Governing Board the applicable skills and characteristics required of Governing Board nominees in the context of current Governing Board composition and organizational circumstances;
- (iv) orient new Governing Directors;
- (v) facilitate Governing Director participation in education and training programs, either internally developed or not, to assist Governing Directors in developing the skills and knowledge required for their service;
- (vi) create programs for team building and retention of Directors and Officers; and
- (vii) report regularly to the Board on its activities.

In accordance with the San Francisco Nonprofit Public Access Ordinance, the Governance and Nominating Committee shall seek candidates for election to the Governing Board who consume or receive the Corporation's goods or services, or like goods or services provided by another nonprofit organization, and who are members of the class of persons intended to be benefitted by the Corporation's activities or services. The Governance and Nominating Committee shall seek these candidates by posting notice of vacancies on the Governing Board by means reasonably calculated to come to the attention of the recipients of the type of goods or services provided by the Corporation, including but not limited to posting written notice of such vacancies in a location accessible to recipients of such goods or services.

(D) Audit and Compliance Committee

The Audit and Compliance Committee's members shall include the Chair of the Finance Committee and at least two (2) other Governing Directors. Like all advisory committees, the Audit and Compliance Committee may include both Directors and non-Directors, subject to the following limitations: (a) members of the Finance Committee shall constitute less than one-half (1/2) of the membership of the Audit and Compliance Committee; (b) the chair of the Audit and Compliance Committee may not be a member of the Finance Committee; (c) the Audit and Compliance Committee may not include any member of the staff, including the Chief Executive

Officer and Chief Financial Officer; (d) the Audit and Compliance Committee may not include any person who has a material financial interest in any entity doing business with this Corporation; and (e) Audit and Compliance Committee members who are not Directors may not receive compensation greater than the compensation paid to Directors for their Board service.

The Audit and Compliance Committee shall oversee the audit and compliance functions of this Corporation. Subject to oversight and approval of the Governing Board, the Audit and Compliance Committee shall develop, implement and maintain compliance policies for the Corporation. The duties and responsibilities of the Audit and Compliance Committee include: (1) identify areas of risk; (2) provide oversight of compliance program activities; (3) review compliance audits and monitoring; (4) review compliance policies and procedures; (5) recommend to the Governing Board for approval the retention and, when appropriate, the termination of, an independent certified public accountant to serve as auditor; (6) subject to approval of the full Board, negotiate the compensation of the auditor on behalf of the Board; (7) confer with the auditor to satisfy the Audit and Compliance Committee members that the financial affairs of this Corporation are in order; (8) review and determine whether to accept the audit; and (9) approve performance of any non-audit services provided to this Corporation by the auditor's firm.

Non-audit services performed by this Corporation's auditors and certified public accountants generally shall be subject to the prior approval and supervision of the Audit and Compliance Committee, in order to ensure that non-audit specific services conform to standards provided in the Yellow Book issued by the U.S. Comptroller General.

At least two (2) Governing Directors must be present at each meeting of the Audit and Compliance Committee and minutes of each meeting shall be submitted to the Governing Board within a reasonable time after each meeting.

(E) Human Resources and Compensation Committee

The Human Resources and Compensation Committee shall include at least three (3) Governing Directors. Pursuant to the provisions of Government Code Section 12586(g) and the applicable provisions of federal law, the Human Resources and Compensation Committee shall review the compensation of the President/Chief Executive Officer, Chief Financial Officer, and such other officers of this Corporation that the Human Resources and Compensation Committee determines appropriate, annually and whenever a modification in compensation is proposed. The review shall include an evaluation of the performance of the officers and an analysis of appropriate comparability data. Based on its review, the Human Resources and Compensation Committee shall recommend to the Board just and reasonable compensation amounts for the officers. At the request of the Chief Executive Officer or the Governing Board, the Human Resources and Compensation Committee shall review any issue involving staff compensation, performance, policies and benefits, including but not limited to health and retirement plans.

(F) Quality Assurance Committee

The Quality Assurance Committee shall include at least two (2) Governing Directors. The responsibilities of the Quality Assurance Committee shall be assisting the Governing Board in evaluating health center activities including services utilization patterns, productivity of the center, patient satisfaction, achievement of program objectives, and development of a process for hearing and resolving patient grievances.

SECTION 5 TERM OF OFFICE

Members of committees shall continue as such until the end of the calendar year and until their successors are appointed, unless the committee is sooner terminated, or unless such members cease to qualify as members thereof or unless such members are removed by the Governing Board.

SECTION 6 COMMITTEE RULES

Except where otherwise provided, each committee shall adopt rules and procedures by which it is to function, and shall report its proceedings and actions to the Board at the next regularly scheduled meeting.

ARTICLE VII INDEMNIFICATION

SECTION 1 DEFINITIONS

For the purpose of this Article, "agent" means any person who is or was a Director, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of this Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceedings, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Sections 4 or 5(b) of this Article.

SECTION 2 INDEMNIFICATION IN ACTIONS BY THIRD PARTIES

This Corporation shall have power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this Corporation to procure a judgment in its favor, an action brought under Section 5233 of the Corporations Code, or an action brought by the Attorney General or a person granted relator status by the Attorney General, for any breach of duty relating to assets held in charitable trust), by reason of the fact that such person is or was an agent of this Corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably

believed to be in the best interests of this Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this Corporation, or that the person had reasonable cause to believe that his or her conduct was unlawful.

SECTION 3 INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THIS CORPORATION

This Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action by or in the right of this Corporation, or brought under Section 5233 of the Corporations Code, or brought by the Attorney General or a person granted relator status by the Attorney General, for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of this Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action, if such person acted in good faith, in a manner such person believed to be in the best interests of this Corporation, and with such care, including reasonable inquiry, or as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section:

(i) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to this Corporation in the performance of such person's duty to this Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(ii) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(iii) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

SECTION 4 INDEMNIFICATION AGAINST EXPENSES

To the extent that an agent of this Corporation has been successful on the merits in defense of any proceeding referred to in Sections 2 or 3 of this Article or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

SECTION 5 REQUIRED DETERMINATIONS

Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by this Corporation only if authorized in the specific case, upon a determination

that the indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article, by:

(a) A majority vote of a quorum consisting of Governing Directors who are not parties to such proceeding; or,

(b) The court in which such proceeding is or was pending upon application made by this Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this Corporation.

SECTION 6 ADVANCE OF EXPENSES

Expenses incurred in defending any proceeding may be advanced by this Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

SECTION 7 OTHER INDEMNIFICATION

No provision made by this Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, resolutions of the Governing Board, agreements, or otherwise, shall be valid unless consistent with this Article and the provisions of Section 5238 of the Corporations Code. Nothing contained in this Article shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

SECTION 8 FORMS OF INDEMNIFICATION NOT PERMITTED

No indemnification or advance shall be made under this Article, except as provided in Section 4 or 5(b) of this Article, in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles, Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving settlement.

SECTION 9 INSURANCE

This Corporation shall have the power to purchase and maintain insurance on behalf of any agent of this Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not this Corporation would have the power to indemnify the agent against such liability under the provisions of this Article, provided, however, that this Corporation shall have no power to purchase and maintain such

insurance to indemnify any agent of this Corporation for a violation of Section 5233 of the Corporations Code.

ARTICLE VIII OTHER PROVISIONS

SECTION 1 FISCAL YEAR

The fiscal year of this corporation shall end each year on June 30.

SECTION 2 ANNUAL REPORTS TO DIRECTORS

The Chief Executive Officer shall furnish an annual written report to all Directors of this Corporation containing the following information about this Corporation's previous fiscal year:

- (a) the assets and liabilities, including the trust funds of this Corporation, as of the end of the fiscal year;
- (b) the principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) the revenue or receipts of this Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) the expenses or disbursements of this Corporation, for both general and restricted purposes, for the fiscal year; and
- (e) any transaction during the previous fiscal year involving more than \$50,000 between this Corporation (or its parent or subsidiaries, if any) and any of its directors or officers (or the directors or officers of its parent or subsidiaries, if any) or any holder of more than ten (10) percent of the voting power of this Corporation or its parent or subsidiaries, if any, or any of a number of such transactions in which the same person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than \$50,000, as well as the amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of this Corporation. For each transaction, the report must disclose the names of the interested persons involved in such transaction, stating such person's relationship to this Corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of this Corporation that such statements were prepared without an audit from the books and records of this Corporation. The report and any accompanying material may be sent by electronic transmission in compliance with Section 5 of this Article.

SECTION 3 REQUIRED FINANCIAL AUDITS

This Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. In its sole discretion, the Governing Board may require a financial audit for any tax year in which it receives or accrues gross revenue of less than \$2 million. Whether or not they are required by law, any audited financial statements obtained by this Corporation shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three (3) years (1) by making them available at this Corporation's principal, regional, and district offices during regular business hours, and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on this Corporation's website.

SECTION 4 MAINTENANCE OF CORPORATE RECORDS

This Corporation shall keep the following:

- (a) Adequate and correct books and records of account; and
- (b) Minutes of the proceedings of its Board and Board Committees.

The minutes and other books and records shall be kept either in written form capable of being converted into clearly legible tangible form or in any combination of the two.

SECTION 5 ELECTRONIC TRANSMISSIONS

Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Governing Board may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

SECTION 6 EXECUTION OF INSTRUMENTS

The Governing Board, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of this Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of this Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind this Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 7 CONFLICT OF INTEREST POLICY

The purpose of this Board conflict of interest policy is to protect this Corporation's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

A. DEFINITIONS

Interested person -- Any director, principal officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Financial interest -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- (b) A compensation arrangement with the Corporation or with any entity or individual with which HealthRIGHT360 has a transaction or arrangement, or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Financial Relationship – A “financial relationship” means”

- (a) serving as employee, consultant, contractor or board member,
- (b) being entitled to receive income, royalties, or payments, or
- (c) having a significant investment or ownership interest.

Compensation – Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists, in accordance with this policy.

Family Member – A “family member” is (i) a spouse or domestic partner, (ii) a child, stepchild, parent or sibling of an employee or his/her spouse or domestic partner or (iii) any other relative (blood or marriage or adoption) currently living with an employee or whose assets the employee controls.

B. Procedures

- (a) No Director, during the service as a Director, and for six (6) months after termination as a Director, shall be employed by the Corporation or by any program operated by the Corporation, nor shall that Director provide any goods for compensation to the Corporation, or to any program operated by the Corporation.

- (b) No individual who is a current, or has been a former, contractor or employee of the Corporation or a contractor or employee of a program operated by the Corporation shall be eligible to serve as a Director or on any Corporation policy-making body for a period of six (6) months after termination as an employee or contractor.
- (c) No individual may serve as a member of the Board who has any family member or relative, by blood or marriage or adoption, currently employed by the Corporation, or is a member of the Board of Directors.
- (d) The Board of Directors, as a matter of policy, will not make decisions that appear to benefit the personal financial interests of directors, officers, employees or agent, outside the ordinary course of the corporation's relationship with such individuals. If, however, a Director has a material financial interest in a transaction to which the corporation is a party and which the corporation must consider, before any part of the transaction is consummated, the corporation shall follow those guidelines set forth in Section 5233(d)(2) of the California Nonprofit Corporation Law, or the successor thereof. The Board of Directors shall determine by vote whether such relationship is of a substantial nature as to be a conflict of interest.
- (e) No Director shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the Director, or any member of his or her immediate family, his or her partners, or an organization which employs or is about to employ the Director, has a financial or other interest in the firm selected for a contract award.
- (f) Duty to Disclose: In connection with any accrual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or Executive Committee
- (g) Recusal or Self: Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
- (h) Determining Whether a Conflict of Interest Exists: Directors, officers, employees, or agents of this corporation who do not otherwise have a financial interest in any transaction are not deemed to have a personal financial interest by virtue of being Directors, officers, employees, or agents of Gardner. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.

Annual Statements

Each director, principal officer, and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the Conflict of Interest Policy

- (b) Has read and understands the policy
- (c) Has agreed to comply with the policy
- (d) Disclosing any conflict of interest that may exist or perceived to exist.

SECTION 8 REPRESENTATION OF SHARES OF OTHER CORPORATIONS

The Chief Executive Officer, or any other officer or officers authorized by the Governing Board, are each authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

SECTION 9 CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules or construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Law shall govern the construction of these Bylaws.

SECTION 10 AMENDMENTS

These Bylaws may be amended or repealed by the approval of the Governing Board. Any proposed amendments must be submitted to the Governing Board at least one (1) week prior to the meeting at which the Directors will vote on the amendment(s). A vote of a majority of the Governing Directors then in office shall be required to approve any such amendment.

SECTION 11 GOVERNING LAW

In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Corporations Code as then in effect shall apply.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected Secretary of HealthRIGHT 360, a California nonprofit public benefit corporation; that these Bylaws consisting of 24 pages, are the bylaws of this Corporation as adopted by the Governing Board on November 18th, 2015 and these Bylaws have not been amended or modified since that date.

Executed on December 7th, 2015 in California.



Emalyn Lapus
Secretary



Get Better. Do Better. Be Better.

HealthRIGHT 360

CODE OF CONDUCT

HealthRIGHT 360 (HR360) is an agency composed of multiple programs and many sites. Because of the diversity of interests and services offered by the programs, this Code of Conduct is designed to serve as a guide for the personal and professional conduct of HR360 staff and volunteers. Where staff or volunteer professional ethical standards are stricter than stated here, the stricter standard is to be followed.

I. Responsibilities of Staff and Volunteers

Staff and volunteers have an obligation to act in ways that will merit the trust, confidence and respect of their professional peers, clients, the general public, and other professional organizations.

You will:

1. Uphold the values, ethics, and mission of HR360.
2. Conduct all personal and professional activities with honesty, integrity, respect, fairness and good faith in a manner that will reflect well on HR360.
3. Comply with all laws and regulations in the jurisdictions in which the staff or volunteer is located or conducts professional and personal activities.
4. Maintain competence and proficiency in your profession by undertaking a personal program of assessment and continuing professional education.
5. Avoid the exploitation of professional relationships or positions in HR360 for personal gain.
6. Staff or volunteers will not solicit or provide personal favors, money, loans, labor, and gifts or enter into any relationship (personal or material) with clients actively or enrolled in treatment within the last two years.
7. Use this Code to further the interests of the various professions and not for personal selfish reasons.
8. Respect professional confidences and client confidentiality.
9. Enhance the dignity and image of HR360 and its clients through positive personal actions, including but not limited to:
 - Responding appropriately to a client in crisis.
 - Abiding by all rules and codes that govern any applicable professional certification or license.

10. Refrain from participating in any activity that demeans the credibility and dignity of any professional peer, staff, volunteer or client of HR360 , or HR360 itself; including but not limited to:
 - Engaging in illicit drug use or transactions of any sort.
 - Using alcohol during working hours or any other alcohol use that in any way may affect your performance at HR360.
 - Initiating or escalating physical violence at HR360 or while performing duties for HR360
 - Engaging in verbal abuse or loud yelling with other staff or volunteers or clients or in front of staff, volunteers or clients.
 - Engaging in acts which would result in—or appear to result in—unethical dual relationships such as borrowing money, engaging in a business venture with a client or a close personal relationship.
 - Engaging in any form of sexual involvement with a currently active client or with a former client within two years of the client's date of discharge or as stated in your profession's ethical standards, whichever is lengthier.
11. Refrain from using staff position or volunteer association with HR360 to promote or endorse external products or services, including but not limited to:
 - Providing or soliciting private practice care for clients.
 - Entering into business relationships with other treatment programs which receive direct referrals from HR360.
 - Sitting on Boards, Committees or establishing private enterprise which conflicts with HR360's review, funding or service delivery process.
12. Be truthful in all forms of professional and organizational communications and avoid information that is false, misleading, inflammatory, and deceptive.
13. Accept no gifts or benefits offered with the expectation of influencing a decision when conducting business on behalf of HR360.

II. Conflicts of Interest

A conflict of interest may only be a matter of degree, but exists when a staff or volunteer, functioning on behalf of HR360, is in a position to personally benefit directly or indirectly by using authority or confidential information, or allows a friend, relative or associate to benefit from such authority or information, or uses authority or information to make a decision to intentionally affect HR360, staff, volunteer(s), or client(s) in an adverse way.

Any staff or volunteer functioning on behalf of HR360 is obligated to disclose to the Chief Executive Officer of HR360, or his/her appointee, any direct or indirect financial or personal interests that might pose potential conflicts of interest with respect to him or her in his or her position with HR360 or potential conflicts of interest related to appointments or elections to boards or committees of other organizations, government bodies or other organized groups. The Chief Executive Officer shall disclose to the full Board of HR360 the potential conflict and the Board

may elect to note the potential conflict and monitor actions of the staff or volunteer; deem the potential conflict to be inconsequential; or ask the staff or volunteer to correct the situation to eliminate the conflict. Failure to disclose a potential conflict when discovered at a later date shall constitute reason to discipline the staff or volunteer up to and including termination from HR360, if warranted.

I have read, understand and agree to abide by the HealthRIGHT 360 Code of Conduct.

Name

Position Title

Signature

Date

Whistleblower Protection Policy

General

HealthRIGHT 360 (HR360) requires that its Directors, Officers and employees observe high standards of business and personal ethics in the conduct of the Organization's mission and business, as well as their individual duties and responsibilities. These standards are described in HealthRIGHT 360's Code of Ethical and Professional Conduct. As employees and representatives of HR360, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility

It is the responsibility of all Directors, Officers and employees to comply with HR360's standards of business and personal ethics and to report violations or suspected violations thereof in accordance with this Whistleblower Protection Policy.

No Retaliation

No Director, Officer or employee who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence based on said reporting. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Protection Policy is intended to encourage and enable employees and others to raise good faith serious concerns within HealthRIGHT 360 prior to seeking resolution outside of the Organization.

Reporting Violations

If you have good faith questions, concerns, suggestions or complaints about HealthRIGHT 360's business operations or ethics, or the conduct of any Director, manager, supervisor, or employee, you are encouraged to bring those issues to someone who can address them properly. In most cases, your supervisor or manager is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or manager, or you are not satisfied with your supervisor's or manager's response, you are encouraged to speak with someone in the Human Resources Department or any other member of the management team. If you are not comfortable approaching anyone on the management team or in the Human Resources Department, you are asked to direct your concerns to one of the HealthRIGHT 360 Board of Directors, who may be contacted confidentially via U.S. Postal Service, addressed: HealthRIGHT 360 Board of Directors, HR Committee, CONFIDENTIAL, 1735 Mission Street, San Francisco, CA 94013.

Supervisors and managers are required to report complaints or suspected violations to the Chief Executive Officer within 48 hours of receipt of the complaint or discovery of the suspected violation. If the supervisor or manager prefers, the report can be made directly to a member of the Board of Directors within the 48-hour time frame.

Accounting and Auditing Matters

The Audit | Compliance Committee of the Board of Directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. In addition to the aforementioned reporting procedure, if you have any concerns regarding HealthRIGHT 360 accounting practices, internal controls or auditing, you are asked to bring those concerns directly to a member of the audit committee of the Board of Directors, who may be contacted confidentially via U.S.P.S., addressed: HealthRIGHT 360 Board of Directors, Audit | Compliance Committee, CONFIDENTIAL,

Whistleblower Protection Policy

1735 Mission Street, San Francisco, CA 94103.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of HealthRIGHT 360's standards of business and personal ethics must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious offense, which could result in discipline up to and including termination of employment or termination of the Director relationship with HealthRIGHT 360.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. If you wish to submit your complaint confidentially, you may so indicate to a supervisor, manager, or Director through the aforementioned reporting procedure. If you wish to submit your complaint anonymously, you may do so by providing your complaint anonymously in writing and submitting it to a supervisor, manager, or Director. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

Unless submitted anonymously, the supervisor, manager, or Director to whom the complaint has been made, either orally or in writing, will acknowledge receipt of the reported or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. The Complainant will be notified upon completion of the investigation. If the Complainant is not satisfied with HR360's handling of the complaint, he or she may file a complaint with the appropriate external agency.

My signature below indicates my receipt and understanding of this policy. I also verify that I have been provided with an opportunity to ask questions about the policy.

Employee Signature

Date

Print Name



Formerly the National Center for Nonprofit Boards



The Sarbanes-Oxley Act and Implications for Nonprofit Organizations

BoardSource and Independent Sector wish to thank Dan Moore, Vice President for Public Affairs, GuideStar; Tom Hyatt, Principal, Ober Kaler; and Paul Nelson, President, Evangelical Council for Financial Accountability, for sharing their professional insights and expertise on this document.

Information and guidance in this document is provided with the understanding that BoardSource and Independent Sector are not engaged in rendering professional opinions. If such opinions are required, the services of a certified public accountant or an attorney should be sought.

This paper was revised in January 2006 to reflect changes in laws relating to, and practices of, nonprofit organizations.

The American Competitiveness and Corporate Accountability Act of 2002, commonly known as the Sarbanes-Oxley Act, was signed into law on July 30, 2002. Passed in response to the corporate and accounting scandals of Enron, Tyco, and others of 2001 and 2002, the law's purpose is to rebuild public trust in America's corporate sector. The law requires that publicly traded companies adhere to significant new governance standards that broaden board members' roles in overseeing financial transactions and auditing procedures.

While nearly all of the provisions of the Act apply only to publicly traded corporations, the passage of the bill served as a wake-up call to the entire nonprofit community. Indeed, several state legislatures have already passed or are considering legislation containing elements of the Sarbanes-Oxley Act to be applied to nonprofit organizations. In many instances, nonprofit organizations have adopted policies and altered governance practices in response to the Act.

Nonprofit leaders should look carefully at the provisions of Sarbanes-Oxley, as well as their state laws, and determine whether their organizations ought to voluntarily adopt governance best practices, even if not mandated by law. This report will review those provisions and assess their relevance to nonprofit organizations.

Finally, it is important to note that two provisions of Sarbanes-Oxley apply to all entities, including nonprofit organizations. This report will also review those features of the Act that require immediate nonprofit compliance.

MAIN PROVISIONS OF THE SARBANES-OXLEY ACT

With two notable exceptions, the Sarbanes-Oxley Act affects only American publicly traded companies and regulates what boards must do to ensure auditors' independence from their clients. The Act also creates and defines the role of the Public Company Accounting Oversight Board, an entity empowered to enforce standards for audits of public companies. The Act explains processes for electing competent audit committee members and for ensuring that adequate reporting procedures are in place. In addition, it calls for regulations, and closes most of the loopholes, for all enterprises — for-profit and nonprofit — relating to document destruction and whistle-blower protection.

The following sections cover each of the major provisions of the law and discuss their relevance to nonprofit organizations. In addition, BoardSource and Independent Sector offer recommendations for how nonprofit leaders should implement various provisions of the law.

INDEPENDENT AND COMPETENT AUDIT COMMITTEE

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act requires that each member of a company's audit committee be a member of the board of directors and be independent. "Independence" in the Act is defined as not being part of the management team and not receiving any

compensation (either directly or indirectly) from the company as a consultant for other professional services, though board service may be compensated.

In addition, a company must disclose whether it has at least one “financial expert” serving on its audit committee. If it does not have such an expert, it must disclose the rationale behind that decision. Who qualifies as a “financial expert” is still being debated. The Securities and Exchange Commission (SEC) proposes a definition that relies on an individual’s education and experience as a public accountant, auditor, or principal accounting officer. At present, however, the company’s board seems to retain the final right to establish specific qualifications for a financial expert.

The audit committee is directly responsible for hiring, setting compensation, and overseeing the auditor’s activities. It sets rules and processes for complaints concerning accounting and internal control practices.

RELEVANCE TO NONPROFIT BOARDS

While not all nonprofits conduct outside audits, most nonprofit boards have established one or more financial committees (e.g., finance, audit, and/or investment). In those organizations that undertake annual audits, particularly medium to large nonprofit organizations, the board is likely to have a separate audit committee or subcommittee. In California, the Nonprofit Integrity Act of 2004 requires that any charity registered with the attorney general and receiving annual gross revenues of \$2 million or more must form an audit committee. Several other states have adopted similar rules, albeit at varying gross revenue thresholds.

It is good practice for nonprofit organizations to take steps to ensure the independence of the audit committee. While most nonprofit board members serve as volunteers without any compensation and staff members do not participate as voting members, all nonprofit organizations should review their practices to ensure the independence of the audit committee. Also, many states provide additional liability protection for volunteer directors that may be lost if the directors are compensated for their service.

Because of recruitment priorities to create a well-balanced and diverse board, finding people with financial savvy may be challenging for boards. Nonprofit organizations need to ensure that board members of the audit committee have the financial competency to understand financial statements, to evaluate accounting firm bids to undertake auditing, and to make sound financial decisions as part of their fiduciary responsibilities. A nonprofit that has a limited number of financial experts on its board may struggle with filling the treasurer’s position, a finance committee, and an audit committee.

RECOMMENDATIONS

While it is too onerous to demand that all nonprofit organizations undertake a full audit, the board is responsible for assessing the potential benefits and costs of an independent audit. Nonprofits that expend more than \$500,000 of federal funds are required to conduct an annual audit. In addition, participating in the Combined Federal Campaign requires an audit at \$100,000. Any other charitable organization with \$1 million or more

in total annual revenues (excluding houses of worship or other organizations that are exempt from filing Form 990) should have an audit conducted of their financial statements and consider attaching a copy to their Form 990 or 990-PF. Smaller charities with revenues of at least \$250,000 should choose a review or at least have their financial statements compiled by a professional accountant. The boards of nonprofit organizations that forego an audit should evaluate that decision periodically.

All nonprofit organizations that conduct outside audits, particularly medium to large organizations, should consider forming an audit committee and should separate the audit committee from the finance committee.

The audit committee should be composed of individuals who are not compensated for their service on this committee and do not have a financial interest in or any other conflict of interest with any entity doing business with the organization. Most nonprofit organizations have volunteer board members. Nonprofit organizations that do compensate board members should not compensate audit committee members for their additional service. In addition, all nonprofits should ensure that no members of staff, including the chief executive, serve on the audit committee, although it is reasonable to have the chief financial officer provide staff support to the audit committee. The chair of the audit committee should be a board member and it is reasonable to expect that the majority of the committee members are board members.

The audit committee should ensure that the auditing firm has the requisite skills and experience to carry out the auditing function for the organization and that its performance is carefully reviewed.

The audit committee should meet with the auditor, review the annual audit, and recommend its approval or modification to the full board. The full board should review the annual audit and the audit committee's report and recommendations. Ideally the full board would also desire to meet with the auditor before formally accepting or rejecting the audit.

At least one member of the audit committee should meet the criteria of financial expert and have adequate financial savvy to understand, analyze, and reasonably assess the financial statements of the organization and the competency of the auditing firm. This may be a non-director advisory member where permitted by state law.

Orientation of board members should include financial literacy training.

To support the accounting field and help ensure that nonprofit boards have available financial expertise, professional accreditation and membership organizations of accountants should require CPAs to participate in a pro bono nonprofit board service program.

RESPONSIBILITIES OF AUDITORS

SUMMARY OF SARBANES-OXLEY PROVISIONS

The Sarbanes-Oxley Act requires that the lead and reviewing partner of the auditing firm rotate off of the audit every five years. This does not necessarily mean that the

auditing firm must be changed, although that may be the most direct way to comply with this requirement.

In addition, the Act prohibits the auditing firm from providing most non-audit services to the company concurrent with auditing services. This prohibition applies to bookkeeping, financial information systems, appraisal services, actuarial services, management or human resource services, investment advice, legal services, and other expert services unrelated to the audit. The board's audit committee may, however, pre-approve certain services (not included in the above categories), such as tax preparation, which can then be carried out by the auditing firm. In addition, the pre-approval requirement is waived for non-auditing services if the value of the non-auditing services is less than five percent of the total amount paid by the organization to the auditing firm for auditing services.

The Act also requires that the auditing firm report to the audit committee all "critical accounting policies and practices" that are used by the organization, discussed with management, and represent the preferred way management wants these policies and practices treated. These critical accounting practices include methods, assumptions, and judgments underlying the preparation of financial statements according to generally accepted accounting principles (GAAP) and assurance that any results would be disclosed in case of changed assumptions.

RELEVANCE TO NONPROFIT BOARDS

Changing auditors (partner or firm) every five years should be considered on a regular basis. The rationale: Auditing firms may grow accustomed to the financial procedures within one organization after a certain number of years, and bringing in a new firm helps ensure that all practices are closely examined.

Nonprofit organizations would be well served to adopt the Sarbanes-Oxley rule of preventing auditing firms from providing non-auditing services, as this provision precludes a conflict of interest between the auditing firm and the client. At a minimum, application of the rule should be considered in each case. At the same time, certain services can be pre-approved by the audit committee, and there is no reason why tax services and preparation of the Form 990 or 990-PF (for private foundations), for example, could not and should not be undertaken by a nonprofit's auditing firm. This can also ensure that certain economies are achieved for the client.

Finally, the provisions about disclosure to the audit committee of critical accounting policies and discussions with management also seem to follow good practice. Greater disclosure of these internal control practices and management's views on them will foster more informed judgments by the audit committee, enhanced oversight by the board, and greater transparency. The critical accounting practices would include processes for segregation of duties, policies to use restricted funds for intended purposes, processes to review off-balance sheet transactions, and procedures for monitoring inventory fluctuations. In addition, the audit committee may be an effective committee for overseeing implementation and enforcement of the governing body's conflict-of-interest policy.

RECOMMENDATIONS

Large nonprofits should consider rotating at least the lead and reviewing partners of the audit firm every five years.

Nonprofit organizations should be cautious when using their auditing firms to provide non-auditing services except for tax preparation, which should be approved in advance, while the firm is contracted to provide auditing services.

The audit committee should require each auditing firm to disclose to the committee all critical accounting policies and practices used within the organization as well as share with the committee any discussions with management about such policies and practices.

CERTIFIED FINANCIAL STATEMENTS

SUMMARY OF SARBANES-OXLEY PROVISIONS

The chief executive and the chief financial officers must certify the appropriateness of financial statements and that they fairly present the financial condition and operations of the company. There are criminal sanctions for false certification, but violations of this statute must be knowing and intentional to give rise to liability.

In addition, to avoid conflicts of interest, the CEO, CFO, controller, and chief accounting officer cannot have worked for the auditing firm for one year preceding the audit.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Any CFO who is responsible for generating timely and accurate financial statements for the company or organization should feel comfortable about certifying document integrity.

In a for-profit company, a positive bottom line is the CEO's responsibility. Business acumen, capacity to interpret financial statements in detail, and skillfulness in convincing the board and shareholders that the corporation is meeting all expectations are obvious characteristics in a manager. Likewise, a nonprofit chief executive may be handicapped without adequate financial skills. He or she may be hired, however, primarily for other qualities. Nonprofit CEOs may excel in fundraising, knowledge of the organization's field of interest, or a variety of other skills. Lack of superior financial prowess must be complemented by a skillful financial officer; without that person, the organization cannot convince donors and funders that their money is properly managed. Nevertheless, it is still the responsibility of the CEO to ensure good stewardship of the organization's resources.

Under Sarbanes-Oxley, CEO and CFO certification carries with it the weight of the law, but part of the underlying rationale is to ensure that both the CEO and CFO know and understand the financial statements. For a nonprofit organization, CEO and CFO sign-off on financial statements would not carry the weight of law (although some states are now considering adopting a similar requirement), but it

would signal the importance that the CEO, in particular, attaches to understanding the nonprofit's financial condition.

For nonprofit organizations, a key financial document is the Form 990 or 990-PF. The form requires a signature from an officer of the organization. Research from a number of studies reveals that the accuracy of these forms leaves much to be desired. Many of the errors in the Form 990 and 990-PF relate to failures to complete all forms, including Schedule A. Other problems include presenting an inaccurate report on fundraising costs, thereby distorting the required financial picture of the organization's operations. Thus, it is critical that nonprofit organizations examine their financial systems, policies, and reporting to help improve the accuracy and completeness of these forms.

There is, in all likelihood, considerably less staff movement in the nonprofit world between accounting firms and client organizations than there is in the for-profit world. Furthermore, because nonprofit executives do not receive lucrative stock options, the relevance of possible conflicts of interest from an auditor joining the executive staff of a nonprofit client is correspondingly less.

RECOMMENDATIONS

CEOs or CFOs, while they need not certify the financial statements of the organization, do need to fully understand such reports and make sure they are accurate and complete. Signing off provides formal assurance that both the CEO and the CFO have reviewed them carefully and stand by them.

The CEO and CFO should review the Form 990 or 990-PF before it is submitted to ensure that it is accurate, complete, and filed on time.

Regardless of whether the CEO and CFO certify the financial report, the board has the ultimate fiduciary responsibility for approving financial reports. Just as the financial and audit reports are reviewed and approved by the audit committee and the board, the Form 990 or 990-PF should also be reviewed and approved. At a time when the Form 990 and 990-PF are published on the Internet by third parties, it is more important than ever that directors be familiar with the contents of the organization's 990 each year.

INSIDER TRANSACTIONS AND CONFLICTS OF INTEREST

SUMMARY OF SARBANES-OXLEY PROVISION

The Act generally prohibits loans to any directors or executives of the company.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Nonprofits are currently highly regulated with respect to financial transactions that take place within the organization. Private inurement, excessive personal benefit, and self-dealing all cause serious penalties for any nonprofit that steps out of line. "Intermediate sanctions" laws specifically address compensation and excess benefit transactions with "disqualified" individuals, generally board members and executive staff.

Providing private loans to insiders — the specific item included in the Sarbanes-Oxley Act - is not a common practice in the nonprofit sector. However, when it has occurred, it has caused problems either from the perception of a conflict of interest or because it has not been appropriately documented as part of executive compensation. In addition, in some states, nonprofit law expressly prohibits loans to directors and officers.

RECOMMENDATIONS

Because the practice of providing loans to nonprofit executives has been a source of trouble in the past and because this practice is specifically prohibited under Sarbanes-Oxley and in some states, it is strongly recommended that nonprofit organizations not provide personal loans to directors or executives.

If such loans are provided, they should be formally approved by the board, the process for providing the loan should be documented, and the value and terms of the loan should be disclosed.

To guide the board and staff in independent decision making, the organization must have a conflict-of-interest policy with board members annually disclosing their potential conflicts of interest, and this policy must be enforced without fail.

DISCLOSURE

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act requires a number of disclosures, including information on internal control mechanisms, corrections to past financial statements, and material off balance sheet transactions (adjustments). The Act also requires companies to disclose information on material changes in the operations or financial situation of the company on a rapid and current basis.

RELEVANCE TO NONPROFIT ORGANIZATIONS

While nonprofit organizations do not file most of the reports that publicly traded companies are required to file, they should nevertheless provide their donors, clients, public officials, the media, and others with an accurate picture of their financial condition. Current law already requires tax-exempt organizations to make their Forms 990 or 990-PF freely available to anyone who requests them in writing or in person. These information returns, as mentioned before, need improvements both in accuracy and in timeliness of disclosure. One way to achieve that objective is through electronic filing, something the Internal Revenue Service is currently pursuing and the nonprofit community generally endorses.

RECOMMENDATIONS

Nonprofit organizations should improve the timeliness, accuracy, and completeness of the Forms 990 or 990-PF by filing electronically when that option is available to them. Nonprofits should strive for greater disclosure and transparency.

Nonprofits should not rely on automatic extensions for filing Forms 990 and 990-PF without cause.

Audited financial statements should be easily accessible for review.

Two provisions of the Sarbanes-Oxley Act apply to all entities because they are amendments to the federal criminal code, so all nonprofit organizations need to comply with them.

WHISTLE-BLOWER PROTECTION

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act provides protections for whistle-blowers and imposes criminal penalties for actions taken in retaliation against those who risk their careers by reporting suspected illegal activities in the organization. It is illegal for any entity — for-profit and nonprofit alike — to punish the whistle-blower in any manner.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Nonprofits must start by protecting themselves. They must eliminate careless and irresponsible accounting practices and benefit from an internal audit that brings to light weak spots and installs processes that are not vulnerable to fraud and abuse. Written policies that are vigorously enforced by executive staff and the board send a message that misconduct is not tolerated. These policies should cover any unethical behavior within the organization — including sexual harassment.

Each organization must develop procedures for handling employee and volunteer complaints, including the establishment of a confidential and anonymous mechanism to encourage employees and volunteers to report any inappropriateness within the entity's financial management. No punishment for reporting problems — including firing, demotion, suspension, harassment, failure to consider the employee for promotion, or any other kind of discrimination — is allowed. Even if the claims are unfounded, the organization may not reprimand the employee. The law does not force the employee to demonstrate misconduct; a reasonable belief or suspicion that a fraud exists is enough to create a protected status for the employee.

RECOMMENDATIONS

Nonprofits must develop, adopt, and disclose a formal process to deal with complaints and prevent retaliation.

Nonprofit leaders must take any employee and volunteer complaints seriously, investigate the situation, and fix any problems or justify why corrections are not necessary.

DOCUMENT DESTRUCTION

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act addresses destruction of litigation-related documents. The law makes it a crime to alter, cover up, falsify, or destroy any document (or persuade

someone else to do so) to prevent its use in an official proceeding (e.g., federal investigation or bankruptcy proceedings). The Act turns intentional document destruction into a process that must be monitored, justified, and carefully administered.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Common sense dictates that individuals, nonprofit organizations, and companies regularly need to shred or otherwise dispose of unnecessary and outdated documents and files. Like their for-profit counterparts, nonprofit organizations need to maintain appropriate records about their operations. For example, financial records, significant contracts, real estate and other major transactions, employment files, and fundraising obligations should be archived according to guidelines established by the organization. Because of current technology, electronic files and voicemail can become complicated as we come to understand the relevance of the delete button as a permanent method of file removal.

RECOMMENDATIONS

A nonprofit organization should have a written, mandatory document retention and periodic destruction policy. Such a policy also helps limit accidental or innocent destruction.

The document retention policy should include guidelines for handling electronic files and voicemail. Electronic documents and voicemail messages have the same status as paper files in litigation-related cases. The policy should also cover back-up procedures, archiving of documents, and regular check-ups of the reliability of the system.

If an official investigation is underway or even suspected, nonprofit management must stop any document purging in order to avoid criminal obstruction charges.

CONCLUSION

The Sarbanes-Oxley Act has now been in force for several years. The legal climate has intensified in the nonprofit sector as Congressional committees and state legislatures are actively proposing new legislation to regulate organizations. Individual nonprofits have begun to identify loopholes - and figure out how to eliminate them. Watchdog agencies and other nonprofit field-building organizations are reconsidering assumptions and standard operating procedures in an effort to identify guidelines, standards, and best practices in the sector.

Regardless of the present scope of existing and potential new legislation at the state and federal level, nonprofit organizations have heard the wake-up call. For all of us in the sector, the Sarbanes-Oxley Act spearheaded a renewed realization that nonprofit organizations rely on - and must protect - the indispensable and unequivocal confidence and trust of our constituents. Self-regulation and proactive behavior will always prove more powerful than compulsory respect of laws.

ADDITIONAL RESOURCES

Press Release from the Office of New York State Attorney General

www.boardsource.org

www.independentsector.org

www.oag.state.ny.us/press/2003/mar/mar12a_03.html

“Strengthening Transparency, Governance, Accountability of Charitable Organizations, a Final Report to Congress and the Nonprofit Sector, June 2005.” Panel on the Nonprofit Sector, www.nonprofitpanel.org/final.

Summary of the Sarbanes-Oxley Act
www.aicpa.org/sarbanes/index.asp.

Recommendations from the National Association of Corporate Directors Concerning Reforms in the Aftermath of the Enron Bankruptcy
www.nacdonline.org/nacd/enron_recommendations.asp

“Corporate Governance. The Wall Street Journal Reports.” *Wall Street Journal*, February 24, 2003.

“Raising the Bar on Governance: Board Committee Performance in the New Era of Accountability.” American Governance & Leadership Group, 2002.

Hamel, W. Warren. “What Corporate Governance Legislation Means to You.” *Association Management*, March 2003.

Heinz, Patrice A. “The Financial Reporting Practices of Nonprofits”. Alliance for Children and Families, 2003. www.alliance1.org/Home/SOX_final_8-03.pdf

Kokourek, Paul F., Christian Burger, and Bill Birchard. “Corporate Governance: Hard Facts about Soft Behaviors: Seven steps to fixing what Sarbanes-Oxley can’t.” *strategy+ business*, Issue 30, Spring 2003.

McLaughlin, Thomas A. “For-Profit Spillover: New Regulation of Independence.” *NonProfit Times*, February, 1, 2003.

Michaelson, Martin. “A New Era of Corporate Governance Bears Down on Higher Education.” *Trusteeship*, January/February 2003.

HealthRIGHT 360

CONFLICT-OF-INTEREST POLICY

Get Better. Do Better. Be Better.

This policy was approved and accepted by the HealthRIGHT 360 Board of Directors on May 21, 2011.

Policy Statement:

It is the Policy of HealthRIGHT 360 to identify conflicts of interest and situations which may give rise to conflicts of interest and to address such situations in a manner that ensures decisions made on behalf of HealthRIGHT 360 are made in the best interests of the organization and its members.

Definitions:

Compensation Arrangement: A compensation arrangement includes direct and indirect remuneration and gifts or favors that are substantial (valued at over \$50.00) in nature.

Conflict of Interest: A conflict of interest arises when personal or financial interests influence professional judgment or decision-making.

Conflicts of Interest Questionnaire: Questionnaire document(s) approved by the HealthRIGHT 360 Board of Directors designed to facilitate written disclosure of existing or potential Conflicts of Interest.

Financial Interest: A person has a **Financial Interest** if the person has, directly or indirectly, through business, investment or family:

- A. A compensation arrangement with HealthRIGHT 360 , either as an employee or an independent contractor;
- B. An ownership or investment interest, or an employment relationship or other compensation arrangement, in or with any entity or individual with which HealthRIGHT 360 has entered into a transaction or arrangement, or
- C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which HealthRIGHT 360 is negotiating a transaction or arrangement.
- D. Other examples of a financial interest may include but are not limited to:

- Having an ownership interest in a vendor with which HealthRIGHT 360 does business,
- Using HealthRIGHT 360 resources for other than nonprofit-related activities,
- Receiving any gifts with a value in excess of \$50, or any remuneration from third parties dealing with HealthRIGHT 360 ,
- Owning an interest in any real estate, securities or property HealthRIGHT 360 is considering buying or leasing,
- Making use of confidential information that benefits an individual Board member, employee, or relative, and
- Doing business with an Interested Person's family member or business partner.

Interested Person: An "**Interested Person**" is a director, an officer, a member of the Executive Committee, a highly compensated employee, any employee in the Finance, and Procurement and Operations Departments, or any other employee deemed to be in a sensitive position regarding potential conflict or fraud, a substantial contributor, or a member of a committee with Board-delegated powers who has a direct or indirect "**Financial Interest.**"

Potential Conflict of Interest - A potential conflict of interest exists when personal or financial interests may, at some time in the future influence professional judgment or decision-making.

Provisions:

- A. Members of the Board of Directors or any of its Committees and its employees shall conduct their business, investment, and personal affairs in such manner as to avoid any possible conflict with their duties and responsibilities to HealthRIGHT 360 .
- B. No member of the Board of Director or any of its Committees, or its employees shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with HealthRIGHT 360 .
- C. Each Interested Person is required to disclose any financial interest in a transaction involving HealthRIGHT 360, and all material facts relating thereto.
- D. As soon as is practicable after determining that a potential conflict of interest exists, the Board shall deliberate the matter, and the potentially Interested Person, after supplying such information as the Board shall request, shall recuse himself or herself.

- E. In the case of all compensation arrangements and all other financial arrangements where the Board determines that there is a conflict, the Board shall:
1. Require that the Interested Person leave the meeting during the discussion of, and the vote on, the transaction or arrangement that may create the conflict of interest; and
 2. Enter into the transaction only if the Board determines, by a majority vote of the non-interested directors present, that the transaction or arrangement is in HealthRIGHT 360's best interests and for its own benefit; is fair and reasonable to HealthRIGHT 360; and, after exercising due diligence, determines that HealthRIGHT 360 cannot obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances.
- F. If an issue is to be decided by the Board or a Committee with Board-delegated powers that involves a potential conflict of interest, the minutes of the meetings shall include:
1. The name of each person who discloses a financial interest, the nature of that financial interest, and whether the Board has determined that there is a conflict of interest;
 2. Copies of all documents describing the other alternatives to the proposed transaction, comparable salaries, and any other due diligence appropriate to the transaction; and
 3. The names of the persons who were present for discussions and votes relating to the transaction or arrangement and the content of those discussions, including any alternatives to the proposed transaction or arrangement, and a record of the vote.
- G. The Board shall ensure that this Policy is distributed to all **Interested Persons**.
- H. All **Interested Persons** shall annually complete a Conflicts of Interest Questionnaire and must respond to requests for clarification or additional information regarding their disclosure as a condition of their continued employment or association with the organization.

Each such person shall sign an annual statement, in the form attached hereto, that the person:

1. Received a copy of the Policy;
2. Has read and understands the Policy;
3. Agrees to comply with the Policy;

4. Understands that the Policy applies to all committees and subcommittees having Board-delegated powers; and
 5. Understands that HealthRIGHT 360 is a charitable organization and that in order to maintain its tax-exempt status, it must exclusively engage in activities that are directed towards the accomplishment of one or more of its tax-exempt purposes.
- I. **Interested persons** may be required to complete a **Conflicts of Interest Questionnaire** outside the annual process due to: changes in the legal or regulatory requirements; the need to update status of previous disclosures of potential conflicts of interest; or for other disclosure requirements. Upon such request, interested persons are required to complete the questionnaire and respond to requests for clarification as a condition of continued employment or association with the Organization.



Get Better. Do Better. Be Better.

HealthRIGHT 360

Conflict of Interest Questionnaire

This Questionnaire should be completed only after a careful reading of HealthRIGHT 360's Conflict-of-Interest Policy.

PLEASE NOTE: The HealthRIGHT 360 Conflict of Interest Policy requires that this questionnaire be completed accurately on an annual basis.

The questionnaire should be updated during the year if circumstances change substantially. HealthRIGHT 360 Directors, Committee members, and employees are expected to be aware of all corporate, personal, and family business interests and relationships that may involve or relate to HealthRIGHT 360 in any way. HealthRIGHT 360's Directors, Committee Members, and Employees must openly and accurately reveal these interests and relationships to HealthRIGHT 360 in this questionnaire; and must comply with all HealthRIGHT 360 policies and requirements concerning ethics, conflicts of interest, and related matters.

If you are uncertain whether particular business interests or relationships involve Haight Ashbury Free Clinics-Walden House, please contact as appropriate, to review the matter. Upon request, HealthRIGHT 360 can provide a list of companies, organizations, and individuals with whom the Organization has, or is considering, a business relationship.

Thank you for your cooperation in providing accurate responses to the following questions. ALL INFORMATION PROVIDED BY YOU ON THIS FORM WILL BE TREATED AS CONFIDENTIAL AND WILL NOT BE DISCLOSED OR USED IN ANY MANNER OTHER THAN THE CONFLICT OF INTEREST PROCESS, if one should arise.

Name of Interested Person: _____

Address: _____

Position Held with the Organization: _____

To the best of your knowledge, do you or a family member (that is, your spouse, parents, grandparents, children, or grandchildren, or any of their spouses) hold a position as owner, officer, board member, partner, or employee of any business that does or may do business with the HealthRIGHT 360?

____ Yes ____ No

Are you or your spouse an officer, board member, trustee, employee or voting member of any other nonprofit or healthcare organization?

Yes No

If yes to either of the foregoing, provide the following information:

Business/ Organization(s)

With Which You are Associated

Position Held/By Whom

**IF NO EXCEPTIONS
PLEASE CHECK**

1. FINANCIAL INTERESTS

No Exceptions ()

I have the following direct or indirect financial interest that may create a conflict of interest:

2. USE OF SERVICES,
PROPERTY AND FACILITIES

No Exceptions ()

I am aware of the following direct or indirect personal use of HealthRIGHT 360's property or facilities (beyond those available to a member of the public) by me or a member of my family:

3. PRIVILEGED INFORMATION¹ No Exceptions ()

I have privileged information regarding the organization identified:

4. ANY OTHER CONFLICT OF INTEREST No Exceptions ()

I am aware of the following other actual or potential conflict of interest:

AFFIRMATION: I have read the HealthRIGHT 360 Conflict of Interest Policy. I understand its provisions and I hereby affirm that I am in compliance with the Policy, and that, I have not, to the best of my knowledge and belief, been in a position of possible conflict of interest, except as indicated above if any. The information I have provided in this questionnaire is true, accurate, and complete to the best of my knowledge. Should any information provided in my responses become incomplete or inaccurate, I understand that I am required and obligated to revise or supplement the information in a timely manner.

DATED: _____

SIGNED_____

Return to:

HealthRIGHT 360 Administrative Offices
 Attn: Britt Miazgowicz
 1735 Mission Street, Suite 2050
 San Francisco, CA 94103

Or scan and return to:

bmiagowicz@healthright360.org

¹ "Privileged Information" means information regarding another organization that you are required to keep confidential.



Programs and Events

History, Mission, and Vision

History

To address the thousands of adolescents and young adults that were streaming into San Francisco for the cultural revolution of the 1960's, Haight Ashbury Free Clinics (HAFC) opened its doors in 1967 as the first free medical clinic in the country. During the first week of operation over 400 patients were seen. HAFC has been an innovator in delivering primary health care services to many of the people who can least afford them. "Health Care is a Right, Not a Privilege" has been the guiding principle as well as its famous tagline.

Walden House was founded in 1969 in the same Haight-Ashbury district of San Francisco to help homeless and runaway adolescents with substance abuse problems. Today, Walden House treats people with mental health and substance abuse problems at various residential and outpatient centers throughout California, including in-prison treatment programs, and facilities in San Francisco and Los Angeles, providing drug and alcohol treatment and mental health, vocational and housing services for people transitioning back into their communities. Like HAFC, Walden House has always served people who are uninsured, homeless and socio-economically disenfranchised, including those with HIV/AIDS.

Today

Haight Ashbury Free Clinics and Walden House have both grown over the years, becoming national models for community healthcare, substance abuse treatment and mental health services. The organizations merged on July 1, 2011 to best serve the most vulnerable members of our community.

On July 1, 2012, Haight Ashbury Free Clinics – Walden House adopted a new name: Health**RIGHT** 360.

Asian American Recovery Services (AARS) joined the family of Health**RIGHT** 360 programs in 2013. Founded in 1985, AARS had grown to serve thousands of people throughout San Francisco, San Mateo, and Santa Clara counties. In 2014, North County Serenity House of San Diego County and Women's Recovery Association (WRA) of San Mateo joined Health**RIGHT** 360, continuing its leadership as a provider of gender responsive services for women and women with children. In 2015, Lyon-Martin Health Services became the third primary care clinic operated by Health**RIGHT** 360, continuing its specialized care for women and transgender individuals. Tenderloin Health Services (formerly Glide Health Services clinic) became the fourth primary care clinic in 2015, providing care in San Francisco's Tenderloin neighborhood. Prototypes joined in 2016 expanding behavioral health care for women and children and services to survivors of domestic violence in Los Angeles, Orange and Ventura Counties.

Future

In 2014, Health**RIGHT** 360 purchased a five story building in the Mid-Market/Van Ness Corridor neighborhood of San Francisco. The 1563 Mission Street location will be transformed into a new healthcare center providing primary medical care, mental health services, substance use disorder treatment, and resources for employment, education, and housing assistance - all under one roof. Construction began in 2015 with a grand opening date set for early 2017.

Mission

Health**RIGHT** 360 gives hope, builds health, and changes lives for people in need. We do this by providing compassionate, integrated care that includes primary medical, mental health, and substance use disorder treatment.

Our Values

- Health**RIGHT** 360 is a non-profit organization providing a wide array of primary care, behavioral health and substance abuse treatment services.
- Prioritizing underserved and special populations, building communities that heal, promoting change, and fostering emotional and physical safety.
- We treat all individuals with dignity and respect. We celebrate diversity, individuality and each person's cultural contribution to the community.
- We are guided by a belief in the transformative power of community and family.

Guiding Principles

- Respect, compassion, caring, loyalty and safety for all members
- Honesty, integrity and professional ethics in all undertakings
- Social responsibility and a dedication to equity and justice
- Embracing differences
- A commitment to innovation and creativity

Culture

- Integrity: say what you mean and do what you say
- Maintain high ethical standards at all times
- Seek supervision when you have questions
- Role model professional behavior
- Provide excellent customer service to clients, colleagues, and community partners
- Maintain clear professional boundaries with clients and colleagues

Growth and Change

- Health**RIGHT** 360 operates in an environment of constant change and growth.
- We strive to meet these challenges by responding to the unexpected with energy, stamina, and follow-through.
- We manage our growth through strategic planning and critical self-examination.
- We apply our core values throughout our organization, in every area and region, in our business practices as well as our clinical programs.
- All of our efforts are aimed at reclaiming and sustaining individuals through the recovery process so that they may progress towards building their own healthy families and communities.



ASIAN AMERICAN RECOVERY SERVICES • HAIGHT ASHBURY FREE CLINICS • LYON-MARTIN HEALTH SERVICES
NORTH COUNTY SERENITY HOUSE • PROTOTYPES • ROCK MEDICINE • TENDERLOIN HEALTH SERVICES
WALDEN HOUSE • WOMEN'S RECOVERY ASSOCIATION

With facilities in the San Francisco Bay Area, Los Angeles, San Diego and the Central Valley, the organization is one of the largest community health care nonprofits in the state. Health**RIGHT** 360 delivers high-quality, culturally competent, non-judgmental, comprehensive services to clients throughout California, many of them facing additional challenges including homelessness, addiction and incarceration.

Health**RIGHT** 360 gives hope, builds health and changes lives for people in need. Health**RIGHT** 360 provides compassionate, integrated care that includes primary medical, mental health, substance use disorder treatment, and social support and re-entry.

We provide services regardless of a client's ability to pay, inspired by our belief that health care is a right, not a privilege.



Health**RIGHT** 360 is a family of integrated health programs that **provides compassionate care and treatment to OVER 40,000 individuals a year through MORE THAN 70 distinct and culturally competent programs across California**



LYON-MARTIN HEALTH SERVICES

Founded in 1979, Lyon-Martin Health Services provides health care to women, lesbians and transgender people in a safe and compassionate environment, with sensitivity to sexual orientation and gender identity.

ASIAN AMERICAN RECOVERY SERVICES

Founded in 1985, Asian American Recovery Services has become the nation's largest community-based organization providing Asian and Pacific Islander individuals with education and resources for substance use disorder and mental health treatment, HIV prevention and services for youth.

NORTH COUNTY SERENITY HOUSE

Since 1966, North County Serenity House has provided residential and outpatient recovery services for women and their families in San Diego County. Its integrated treatment and support helps women overcome substance use disorder and retain lasting recovery.

ROCK MEDICINE

Founded in 1973 in conjunction with promoter Bill Graham, Rock Medicine has provided mobile treatment and triage at an ever-growing number of concerts, community marches, celebrations and fairs, circuses and sports events.

WALDEN HOUSE

Since 1969, Walden House has been providing behavioral health services to clients with mental health and substance use disorder issues. Services include residential treatment, in-custody services, and outpatient programs and case management for people transitioning back into the community.

360

PROTOTYPES

Founded in 1986, Prototypes ensures safety and shelter for women, children and communities impacted by substance abuse, mental illness and domestic violence. Prototypes takes a holistic approach to treatment by providing specialized care and promoting self-sufficiency for women with children in residential and outpatient settings.

WOMEN'S RECOVERY ASSOCIATION

Since 1976, Women's Recovery Association has provided a blend of residential treatment programs and a comprehensive continuum of care to women and their families. Its individualized and integrated clinical services are designed to address women's needs.

HAIGHT ASHBURY FREE CLINICS

Since 1967 Haight Ashbury Free clinics has operated federally qualified health centers that offer supportive, compassionate and non-judgmental primary medical care to clients with complex health care needs.

TENDERLOIN HEALTH SERVICES

Tenderloin Health Services (formerly the GLIDE Clinic) provides primary medical care, mental health services and substance use disorder treatment to San Francisco's low-income populations including veterans and homeless individuals.





HealthRIGHT 360 2016 Events

❖ **Black Tie and Tie Dye Gala**

Friday, May 6th- 6pm

The Ritz-Carlton, 600 Stockton Street, San Francisco

❖ **San Francisco Celebration of Achievement**

Tuesday, September 20th 5:00pm-7:15pm

Mission Bay Conference Center at 1675 Owens Street

❖ **Be the Change Breakfast**

Thursday, December 1st, 7:30am-9:00am

InterContinental Hotel, 888 Howard Street, San Francisco



Finance Section

- Certificate of Liability Insurance
 - Audit Report FY 2014-2015
 - 2015_2016 Proposed Budget
- Form 990