

**MERCED DATA SPECIAL SERVICES,
INC.**

**BYLAWS
AND
ARTICLES OF INCORPORATION**

ARTICLES OF INCORPORATION

1. The name of this corporation is Merced Data Special Services, Inc.
2. This corporation is a nonprofit, public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.
3. The purposes of this corporation are:
 - A. Enhancement of the quality of public decision-making in local and other governments through the research and development of improved analytic programs, techniques, and services, and to provide an economic and efficient method of maintaining and distributing such information.
 - B. Serving local governments, other governmental entities, and the general public, and providing educational programs and materials on the use of programs, techniques, and services.
 - C. Providing services to the public consistent with the purposes of the corporation.
 - D. Engaging in the management of public or quasi-public functions in furtherance of the purposes set forth in subparagraphs A through C above.
 - E. Acting as the applicant for financial assistance for local and other governmental entities in furtherance of the purposes set forth in subparagraph A through D above, seek grants and other financial assistance given in support of, among other things, economic financial analysis, comprehensive planning, environmental analysis, social research and development of applied technical sciences and services.
4. This corporation is organized exclusively for charitable, scientific, civic, and educational purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Code. This corporation is organized without capital stock and without members.
5. The property of this corporation is irrevocably dedicated to educational, scientific, civic, and charitable purposes and no gains, profits or dividends of the corporation, and no part of the net earnings, funds or assets of the corporation shall inure to the benefit of any director, officer or individual. On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of the corporation, the remaining assets of this corporation shall be distributed a) to such organizations as are organized and operated exclusively for charitable, educational, scientific or civic purposes which

- have established their tax-exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue Code, or b) to any other entity or entities which are permissible recipients of such assets pursuant to IRC § 501 (c) (3), regulations promulgated thereunder, or any successor code sections or regulations.
6. No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501 (h) of the Internal Revenue Code of 1986, nor shall it participate in, or intervene in, or publish or distribute statements concerning any political campaign on behalf of or in opposition to any candidate for public office.
 7. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in activities not permitted to be carried out (a) by a corporation exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code or (b) by a corporation contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.
 8. This corporation shall have eleven (11) directors. The manner in which directors shall be chosen and removed from office, their qualifications, powers, duties, compensation, and tenure of office, the manner of filling vacancies of the board, and the manner of calling and holding meetings of directors shall be as stated in the Bylaws.
 9. The name and address in the State of California of this corporation's initial agent for service of process is Jesse B. Brown, 1770 "M" Street, Merced, California, 95340.

IN WITNESS WHEREOF the undersigned, being the incorporator of Merced Data Special Services, Inc., has executed these Articles of Incorporation on June 9, 1992.

Jesse B. Brown, Incorporator

I am the person whose name is subscribed below. I am the sole incorporator of Merced Data Special Services, Inc., and I have executed these Articles of Incorporation. The foregoing Articles of Incorporation are my act and deed. Executed on June 9, 1992, at Merced, California.

I declare that the foregoing is true and correct.

Jesse B. Brown, Incorporator

BYLAWS OF
MERCED DATA SPECIAL SERVICES, INC.

ARTICLE I. PRINCIPAL OFFICE

1.01. Principal Office. The principal office of the corporation for its transaction of business is located at 1770 "M" Street, City of Merced, County of Merced, California, 95340.

ARTICLE II. MEMBERS

2.01. Members Prohibited. The corporation shall not have any members.

2.02. Effect of Prohibition. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only the approval of the Board of Directors. All rights which would otherwise vest under the Nonprofit Public Benefit Corporation Law in the members shall vest under the Nonprofit Public Benefit Corporation Law in the members shall vest instead in the Directors. (Unless otherwise stated, the terms Board, Directors and Board of Directors shall mean the corporation Board of Directors.)

ARTICLE III. DIRECTORS

3.01. Number/Appointment/Term. The corporation shall have eleven (11) Directors, who shall be known collectively as the Board of Directors. The Board shall be composed of those persons who are members of the Board of Directors of the Merced County Association of Governments. No person who is not a member of the Board of Directors of the Merced County Association of Governments shall be a Director of this corporation. A Director shall be removed from this Board automatically if he or she is removed from the Board of Directors of the Merced County Association of Governments.

3.02. Qualifications. In addition to the other qualifications stated herein, Directors of this corporation shall be Board members of the Merced County Association of Governments.

3.03. Meetings

A. All meetings of the Board shall be held at the principal office of the corporation as specified in paragraph 1.01 of these Bylaws or at any other such place as designated by the Chairman of the Board.

B. Regular meetings of the Board shall be held at least quarterly. Regular meetings shall be held on ten (10) days notice by first-class mail, postage

prepaid, or on seven (7) days notice delivered personally, or by telephone or telegraph. Notice of the regular meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or any approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of such notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records and made a part of the minutes of the meetings.

C. Meetings of the Board may be called by the Board Chair or by any two (2) Directors. Special meetings shall be held on four (4) days notice by first-class mail, postage prepaid, or on forty-eight (48) hours notice delivered personally or by telephone or telegraph. Notice of regular meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or any approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of such notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records and made a part of the minutes of the meetings.

D. Notice of all regular and special meetings shall be given to the Chief Executive Officer (CEO) or his/her designee in the same manner as the Directors.

E. A majority of the authorized number of Directors constitutes a quorum of the board of Directors for the transaction of business, except as herein provided.

F. Except as otherwise provided in the Articles, in these Bylaws, or by law, every act or decision done or made by a quorum is present, shall be the act of the Board of Directors; provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken shall be approved by at least a majority of the required quorum for such a meeting, or such greater number as is required by law, the Articles, or these Bylaws.

G. The Chair of the Board or, in his or her absence, any Director selected by the Directors present shall preside at meetings of the Board of Directors, the Secretary of the corporation or, in the Secretary's absence, any person appointed by the presiding officer shall act as Secretary of the Board. Members of the Board of Directors may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all members participating in such meetings can hear one another. Such participation shall constitute personal presence at the meeting.

H. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who are not present at the time of adjournment.

3.04. 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 or the Board individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as the unanimous vote of such directors.

3.05. Removal of Directors. The Board of Directors shall declare vacant the office of director upon removal or resignation of any such director from the Board of the Merced County Association of Governments.

3.06. Committees. The Board of Directors may establish such committees, as it deems desirable to assist it from time to time in governing the affairs of the corporation. The Board may also establish from time to time advisory committees to provide technical assistance and information to the Board of Directors.

ARTIVLE IV. OFFICERS

4.01. Titles. The officers of the corporation shall be a Board Chair, a Chief Executive Officer, a Secretary, a Chief Financial Officer, and such other officers with such titles and duties as shall be determined by the Board and as may be necessary to enable it to sign instruments. Any number of offices may be held by the same person except that neither the Secretary nor the Chief Financial Officer shall serve concurrently as the Chief Executive Officer.

4.02. Appointment of Officers. The Executive Director of MCAG shall serve as the corporation Chief Executive Officer. The Chair of the Board shall be selected according to paragraph 4.03. All other officers of the corporation shall be chosen by and shall serve at the pleasure of the Chief Executive Officer.

4.03. Chair of the Board. The Chair shall be elected by the Board of Directors from among its members for a term of office commencing upon July 1st in each year and ending upon June 30th in the following year; provided that, the Board Chair shall serve as such until his/her successor has been elected and qualified. There shall be no limit on the number of terms that a Director, who is otherwise qualified, may serve as Board Chair. The Board Chair shall preside at all meetings of the Board of Directors. The Board Chair shall provide policy direction to corporate management and shall in the interim between Board meetings, where necessary, interpret Board policy or establish policy in the absence of prior Board action.

The Chair shall perform such other duties as may be required by law, the Articles of Incorporation, these Bylaws, or as may be prescribed from time to time by the Board of Directors.

4.04. Chief Executive Officer. Subject to the direction and control of the Board of Directors and the Board Chair, the CEO shall be the President and General Manager of the corporation and shall have supervision, direction and control of the affairs of the corporation. The CEO shall perform all duties incident to the office of CEO and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. The Deputy CEO appointed by the CEO shall act in the place of the CEO, with all of the powers of and subject to all the restrictions upon the CEO, in the event of the CEO's absence or inability to act. The CEO shall appoint all other persons to the offices named in this Article or by the Board from among the MCAG staff. The corporation shall not hire employees but shall contract with MCAG for all necessary staff in order to carry out the responsibilities of the corporation.

4.05. Secretary. The Secretary shall keep or cause to be kept at the principal office of the corporation, or such other place as the Board of Directors may order, a book of minutes of all meetings of the Board of Directors. The Secretary shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors.

4.06. Chief Financial Officer. The Chief Financial Officer of the corporation shall keep and maintain in written form or in any other form capable of being converted into written form, adequate and correct books and records of account of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books and records of accounts shall at all times be open to inspection by Directors of the corporation. The Chief Financial Officer shall deposit all monies and other valuables in the name of, and to the credit of, the corporation with such depositories as may be designated by the Board of Directors. The Chief Financial Office shall disburse the funds of the corporation as ordered by the Board of Directors, and shall render to the Board Chair and CEO and the Directors on request an account of all such officer's transactions as Chief Financial Officer, and of the financial condition of the corporation. The Chief Financial Officer shall perform such other and further duties as may be required by law or as may be prescribe or required from time to time by the Board of Directors or by these Bylaws.

ARTICLE V. MISCELLANEOUS

5.01. Fiscal Year. The corporation's fiscal year shall be from July 1 through June 30.

5.02. Annual Report and Audit. The Board shall cause an Annual Report to be prepared and submitted to it and the MCAG Executive Committee not later than one hundred and twenty (120) days after the close of the corporation's fiscal year. The Annual Report shall contain the information required by Corporations Code Sections 6321 (a) and 6322 (d) and (e) respecting certain transactions and indemnifications, together with a report from independent certified public accountants based upon their

audit of the corporation's books and records. The Annual Report shall be furnished to all Directors of the corporation and the MCAG Board of Directors.

5.03. Annual Budget. Prior to the commencement of each fiscal year, the Board of Directors shall consider and approve a budget for the year, which may be revised from time to time as necessary. At appropriate times during the year, the Board shall report to the MCAG Board of Directors on the status of the budget and its activities.

5.04. Procurement of Goods and Services.

- A. Procurement of Goods and Services. When acting within the approved budget, the CEO may, without additional approval, authorize procurement of goods and services not to exceed ten thousand dollars (\$10,000.00) per transaction. Procurements in excess of ten thousand dollars (\$10,000.00) shall be approved in advance by the Board of Directors. All procurement transactions in excess of five thousand dollars (\$5,000.00) shall be reported to the Board of Directors at its next regular meeting.
- B. Execution of Contracts. When acting within established Board policy, the CEO of the corporation may, without additional Board of Director's approval, execute contracts obligating the corporation to perform services for third parties or to accept grants-in-aid, loans, or financial assistance from third parties not exceeding twenty-five thousand dollars (\$25,000.00).
- C. Technical Assistance Policy. The Board of Directors shall approve a Technical Assistance Policy to serve as the regulations for providing such assistance within the limitations set forth in the adopted budget and elsewhere herein.

5.05. Restrictions on Disbursements/Bonding. Except as otherwise specifically determined by resolution of the Board of Directors or as otherwise required by law, corporate funds shall not be disbursed and checks, drafts and promissory notes, orders for the payment of money and other evidences of indebtedness of the corporation shall not be executed unless signed by at least two (2) persons selected by the Board of Directors who shall be bonded against misuse.

5.06. Bylaws/Amendment. These Bylaws shall become effective immediately upon their adoption by the corporation Board and the MCAG Board of Directors. Amendments to these bylaws shall become effective immediately upon their adoption unless the Board of Directors provides for a later effective date. Bylaws may be altered, amended or repealed and new Bylaws adopted by a vote of a majority of the Board of Directors present at any special or regular meeting of the Directors at which a quorum is present; provided that, no alteration, amendment or repeal of these Bylaws shall be effective until it receives the approval of the MCAG Board of Directors; provided further

that, no Bylaw amendment shall be effective unless written notice of the meeting at which the amendment will be considered and of the intention to change the bylaws thereat is delivered to each Director at least ten (10) days prior to the date of such meeting.

5.07. Indemnification/Liability Insurance. Subject to the limitations of Section 5238 of the Non-Profit Public Benefit Corporation Law, the Board of Directors shall have authority to indemnify its officers, directors and agents against any liability asserted against or incurred by them by reason of their activities on behalf of the corporation, and to purchase and maintain insurance on behalf of any agent of the corporation against such liability.

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

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

- (1) That I am the Secretary of Merced Data Special Services, Inc., A California corporation; and
- (2) That the foregoing By-laws, consisting of five articles and six pages, constitute the original By-laws of the corporation duly adopted by the incorporator of said corporation on June 9, 1992, and that said By-Laws have not been amended, modified or revoked.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation this 9th day of June, 1992.

Jesse B. Brown, SECRETARY