

# Meeting of the Board of Directors: Virtual Meeting

Tuesday, December 15<sup>th</sup>, 8:00 am-12:00 pm PT

<https://global.gotomeeting.com/join/273362581>

Phone: +1 (786) 535-3211

Access Code: 273-362-581

## Board Meeting Agenda

***Tuesday, December 15<sup>th</sup>***

- |                   |   |
|-------------------|---|
| 8:00 am–8:10 am   | <b>Welcome and Call to Order</b> (David) <ul style="list-style-type: none"><li>• Call to Order</li><li>• Agenda review</li><li>• Review and approval of October Board meeting minutes</li></ul>       |
| 8:10 am–8:30 am   | <b>Welcome New Board Members and New Senior Fellows</b> (Ralph, David)  |
| 8:30 am–8:45 am   | <b>State of Play Introduction and Context</b> (Steve, David)  |
| 8:45 am–9:45 am   | <b>State of Play: 2020-2030</b> (Ralph) <ul style="list-style-type: none"><li>• Themes: electrification trends, election impacts, ICC insights, building-grid integration, COVID and health</li></ul> |
| 9:45 am-10:00 am  | <b>Break</b>  |
| 10:00 am-10:45 am | <b>State of Play: 2020-2030 Discussion</b> (Ralph)  |
| 10:45 am–11:15 am | <b>Staff Presentations</b> <ul style="list-style-type: none"><li>• BETR (Cathy)</li><li>• Multi-state collaborations and federal issues</li></ul>   |
| 11:15 am–11:30 am | <b>Development Report</b> (Meghan)  |
| 11:30 am–11:45 am | <b>Operations Report</b> (Christopher)  |
| 11:45 am-12:00 pm | <b>Closing</b> <ul style="list-style-type: none"><li>• Closing discussion</li><li>• Prep for tomorrow’s meeting</li></ul>   |
| 12:00 pm          | <b>Adjourn</b>  |

# Meeting of the Board of Directors: Virtual Meeting

Wednesday, December 16<sup>th</sup> 8:00 am-12:00 pm PT

<https://global.gotomeeting.com/join/273362581>

Phone: +1 (786) 535-3211

Access Code: 273-362-581

## Board Meeting Agenda

***Wednesday, December 16<sup>th</sup>***

- |                   |  |
|-------------------|--|
| 8:00 am–8:10 am   | <b>Welcome and Call to Order</b> (David) <ul style="list-style-type: none"><li>• Call to Order</li><li>• Agenda review</li></ul>                         |
| 8:10 am–8:30 am   | <b>Elections</b> (David, Patrick) <ul style="list-style-type: none"><li>• Board Officers</li><li>• Board Committees</li><li>• Committee Chairs</li></ul> |
| 8:30 am–9:00 am   | <b>America Zero Carbon Action Plan</b> (Laurie Kerr, Roger Platt)  |
| 9:00 am-9:30 am   | <b>Finance Committee Report with Auditors</b> (Mary, Ralph)  |
| 9:30 am-10:00 am  | <b>Annual Bylaws Review</b> (Patrick)  |
| 10:00 am–10:15 am | <b>Break</b>   |
| 10:15 am–10:30 am | <b>Communications Report</b> (Stacey, Connie)  |
| 10:30 am-11:00 am | <b>Diversity Committee Report</b> (Marge)  |
| 11:00 am-11:30 am | <b>Staff Presentation</b> <ul style="list-style-type: none"><li>• Schools Cohort (Reilly)</li><li>• Advanced Water Heating Initiative (Amruta)</li></ul> |
| 11:30 am-12:00 pm | <b>NBI Recognition and Celebration</b>   |
| 12:00 pm          | <b>Adjourn</b>   |

# Meeting of the Board of Directors: Virtual Meeting

Friday, October 16<sup>th</sup>, 8:00 am-11:30 am

<https://global.gotomeeting.com/join/506070621>

**Phone:** +1 (872) 240-3412

**Access Code:** 506-070-621

## Board Meeting Minutes

### Attendees

#### **Board Members:**

David Goldstein  
Michael Colgrove  
Jeff Harris  
Gregg Ander  
Patrick O'Shei  
Mark MacCracken  
Peter Turnbull  
Brendan Owens  
Mona Chandra  
Steve Nadel  
Nancy Jenkins Ander  
Marge Anderson (joined 9:08 am)

#### **Staff:**

Ralph DiNola  
Amy Cortese  
Christopher Dean  
Jim Edelson  
Kim Cheslak  
Stacey Hobart  
Cathy Higgins  
Alexi Miller  
Meghan Humphreys  
Connie Umphress  
Leada Fuller-Marashi

Quorum was maintained for the duration of this meeting.

Call to order: 8:07 am

- **Motion:** Gregg moves to approve the October 2<sup>nd</sup> Board meeting minutes.
  - David seconds
  - Unanimous approval
- Christopher Dean has joined NBI as the Operations and HR Manager. He brings 15+ years in management. His first priority is to address HR and plans to update the personnel manual by the end of the year.

Executive and Governance Committees Report

- **Motion:** Brendan moves that, at Board's discretion, two individuals from the same organization can serve on the Board of Directors at the same time but they cannot both be Board Officers at the same time.
  - Peter seconds
  - Abstentions: David, Jeff
  - Unanimous vote to approve otherwise
  - Motion passes with 10 votes in favor

Bylaws

- The bylaws will be reviewed every year at the Annual Meeting in December. Proposed changes for the next review:
  - (3.2) Increase the Board number limit from 15 to 18.
  - (3.4) Add a one-year extension for Board officers if they do not have a replacement.

- (3.14) Add exception to board meeting attendance requirement in the case of circumstances that do not allow for in-person meeting attendance.
- (4.3) Add a non-voting president emeritus role.
- (5.5) Add Diversity Committee.
- (6.1) Add Board Resolution 20-4, CEO contract signing authority.
- The Governance Committee will weigh in on the language for 6.1.
- **Action item:** send Leada any suggestions on bylaws language.

#### Board Member Onboarding

- Board member onboarding schedule:
  - December: receive invitation, schedule orientation meetings, attend Annual Board meeting, receive access to the Board Portal, complete forms including NDA, COI, and email action authorization.
  - March/April: check in with Board buddy, attend second Board meeting.
- We know there is a steep learning curve for new Board members, we want to create the most welcoming approach. One approach would be for the new members to be a cohort so they can have a shared experience.
- **Action item:** send any suggestions for Board member onboarding to Leada.

#### Diversity Committee Report

- NBI is welcoming a new cohort of Senior Fellows who will join for part of December's Annual Board Meeting.
- The staff members of the Diversity Committee drafted a Diversity Statement that was reviewed by the full Diversity Committee and updated to reflect the Committee's feedback. The purpose of the Diversity Statement is to acknowledge the current state of the industry, call out bias that has existed alongside good intentions and success, and make a commitment to change.
- The Diversity Statement does not need be formally approved through a motion or vote but has been brought to the Board to discuss and sign off on.
- Nancy suggests replacing "energy efficiency movement" with "climate work" in the second sentence to expand the scope beyond energy. The suggested change will be incorporated in the final statement.

#### Strategic Planning Committee Report

- Amy would like to thank David, Nancy, and Jeff for their contributions as part of the Strategic Planning Committee. One of the big pieces of feedback on programmatic excellence was we need long-term programmatic outcomes, which have been added.
- The 2020-2023 Strategic Plan addresses both operational and programmatic excellence.
- The goal for the Board of Directors in the Strategic Plan is to exercise due care and hold NBI's best interest as the highest priority.
- There will be check ins every six months to make sure everything is on track.
- **Motion:** Jeff moves to approve the 2020-2023 Strategic Plan.
  - Peter seconds
  - Unanimous vote to approve

#### Development Report

- Meghan wants to acknowledge NBI staff and Board members who work very hard to bring in the right amount of funding.
- We assign viability scores to each proposal and the numbers are very steady from year to year – it shows we're evaluating opportunities correctly.
- There are specific goals for development in the 2020-2023 Strategic Plan. They include specific dollar goals and increasing the percent of proposals of a larger size to maximize return on investment. Currently NBI has 75% of revenue coming from organizations we've worked with before.

- There are many ways Board members can commit to supporting the organization including matching gifts. Meghan will follow up about how to fulfill that commitment and offer some options.

#### Staff Presentation – 2021 IECC

- The final ruling on online voting and voter eligibility was that there was no violation of rules or process.
- NBI developed a set of code proposals, many of which were successful.
- This is some of NBI's most important work, and we are exploring different pathways to ensure codes continue to move forward.

#### Closing Discussion

- In light of Cathy Higgins' upcoming retirement, there will be a series of activities to celebrate her work and leadership.
- **Action item:** if anyone has suggestions for how to best recognize and celebrate Cathy, or if you would like to share your appreciation, send them to Ralph and Leada.
- Meeting adjourned: 11:39 am

DRAFT

## 2020 New Board Member Cohort

### **Bing Liu**

*Sr. Manager, Codes, Standards, and New Construction – Northwest Energy Efficiency Alliance*

Bing Liu is a Senior Manager at the Northwest Energy Efficiency Alliance, leading the Codes, Standards, and New Constructions Department. Bing leads the development and implementation of building energy codes, appliance and equipment standards, commercial and residential above-code programs. Before joining NEEA, Bing was a group leader at the Pacific Northwest National Laboratory under U.S. Department of Energy, overseeing the Building Energy Research and Analysis group with 30 researchers. She was also the program manager of the Building Energy Codes Program at PNNL, leading PNNL's research team to support the development and implementation of building energy codes in support of the U.S. Department of Energy.



Bing is an internationally recognized technical expert with over 25 years of experience in building codes and standards, large scale building energy simulation, energy efficiency technology analysis, and building performance metering. Bing is a registered Professional Engineer, Fellow ASHRAE, a member of ASHRAE Standard 90.1, Standard 189.1, and technical program chair of ASHRAE 2020 Annual Conference. She was the lead author of award-winning Advanced Energy Design Guide and ASHRAE Distinguished Lecturer. Bing was featured as one of the Top 20 Women in HVAC Industry for 2020 by Engineered System Magazine.

### **Corrine Van Hook Turner**

*Director of Climate Innovation – Movement Strategy Center*

As the Director of Climate Innovation, Corrine leads the vision and strategy for MSC's climate innovation and governance portfolios, bringing a lens of racial equity and transformative movement building. Corrine convenes and cultivates creative leadership within climate justice and deep democracy ecosystems toward a shared vision for Transition to a world of interdependence, resilience, and regeneration.



Corrine's 15+ years of experience is deeply immersed in movements for social, economic, and racial equity. As a former IDEAL Scholar (Initiative for Diversity in Education and Leadership), she witnessed and continues to nurture the compelling impact of investing in youth and disenfranchised communities of color so that leadership reflects the diversity it seeks to serve. Since then she has continued to develop her leadership working with the Rockwood Leadership Institute, Greater New Beginnings Youth Services, Oakland Climate Action Coalition, and contracting with various organizations. Corrine was the former Co-Director of Rooted in Resilience (formerly Bay Localize) where she led organizational management, development, communications, and outreach.

She currently serves on the steering committee of the California Trade Justice Coalition, Oakland Climate Action Coalition and the Resilient Oakland Initiative. She holds a Bachelor's degree in Political Science from the University of California, Berkeley. Family is what drives Corrine's commitment to justice and thriving communities.

## **Kathryn Wright**

*Program Director, Buildings – Urban Sustainability Directors Network*

Kathryn serves as the Program Director for the Urban Sustainability Directors Network, which serves over 225 local governments in the U.S. and Canada. As Program Director, Kathryn oversees the network's strategic direction and innovation work in the built environment. As part of this role, she manages the Zero Cities Project, a coalition of 11 cities and community-based organizations focused on dual goals of social equity and building decarbonization. This project has produced a series of national resources and local projects which have engaged residents to collaboratively develop sustainable and resilient policies for the built environment.



Prior to USDN, Kathryn led Cadmus' Sustainable Communities and Organizations practice. Illustrative work includes leading stakeholder engagement for the development and refinement of performance requirements for Boston's disclosure ordinance, preparing research to support the City of Cambridge's roadmap for resilient and equitable renewable thermal deployment across its community, and serving as the Project Director for Massachusetts' 2030 Climate Plan and 2050 Roadmap. Before her time at Cadmus, Kathryn held a fellowship at the Center for Business and Environment at Yale and the Connecticut Green Bank focused on helping cities and towns increase distributed solar deployment. She holds Bachelor's degrees from University of Pittsburgh in Marketing and Environmental Sciences and a Master's degree from Yale in Environmental Management.

## **Kimi Narita**

*Senior Strategic Advisor, American Cities Climate Challenge – Natural Resources Defense Council*

Kimi Narita leads strategy at the intersection of local, state, and federal climate action for the American Cities Climate Challenge at the Natural Resources Defense Council (NRDC). The Climate Challenge is an unprecedented opportunity for 25 ambitious cities to significantly deepen and accelerate their efforts to tackle climate change and promote a sustainable future for their residents. Formerly, Kimi was the Director of Buildings and Energy for the Climate Challenge and the Deputy Director of City Energy Project, a national initiative to create healthier and more prosperous American cities by improving the energy efficiency of buildings. Throughout her career, Kimi has worked in or with 36 major U.S. cities in 25 states. She has advocated for strong environmental policy at many levels of government – city councils, state legislatures, public utility commissions, and the federal government. Prior to working at NRDC, Kimi clerked for Justice Craig Stowers of the Alaska Supreme Court and worked at the Center for Ocean Solutions crafting offshore oil drilling policy and regulatory recommendations for the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Oil Drilling. She holds a bachelor's degree in anthropological sciences and a master's degree in environment and resources from Stanford University. She earned her J.D. from Stanford Law School.





## 2020 New Buildings Institute Senior Fellows

### **Alexis Karolides, Principal, Point Energy Innovation**

Alexis is Point Energy Innovations' Sustainability Practice Leader. A Certified Passive House Consultant (CPHC), she helps clients achieve optimally efficient, comfortable, and healthy, low-carbon projects. Driven to make sustainability mainstream, she's worked to advance carbon-reduction practices across organizations such as the University of California, Hewlett Packard, Walmart, and Kaiser Permanente. Her focus on zero energy schools led her to win the 2017 ZNE Leadership Award for Green California Schools. Prior to Point Energy, she was Green Development Practice Leader at Rocky Mountain Institute, was a chair of the AIA Committee on the Environment, and co-developed with the Biomimicry Guild the prototype for AskNature.org, which links human design challenges to solutions found in nature.



### **Anica Landrenau, Director of Sustainable Design, HOK**

As director of sustainable design at HOK, Anica has devoted her career to high-performance, sustainable design. Based in Washington, D.C., she advises on green design across HOK and leads the firm's AIA 2030 commitment toward a carbon-neutral portfolio. She is a member of the firm's board of directors and global design board.



### **Bronwyn Barry, Board President, North American Passive House Network (NAPHN)**

Bronwyn is a registered architect based in San Francisco, CA. She was educated in South Africa, the UK and the USA and holds a Bachelor of Arts from the University of KwaZulu-Natal. She completed post-graduate studies in Architecture at UC Berkeley before apprenticing at various architecture firms throughout the San Francisco Bay Area. She is also, a Certified Passive House Designer and founding member of both Passive House California (PHCA) and the North American Passive House Network (NAPHN.) She served as the chair of the Passipedia Committee for the International Passive House Association (iPHA) and currently serves as President of the North American Passive House. Ms. Barry's advocacy work extends internationally. She has contributed to the UNECE's Coalition on Buildings development of a global standard for high performance buildings.



### **David Kaneda, Principal and Thought Leader, IDEAS Consulting**

David founded IDEAs Consulting with the goal of providing a platform for doing cutting edge, industry leading, innovative electrical engineering for buildings in an industry that traditionally values tried and true methods, low risk and conservative designs. Located in Cupertino CA.





**Debbie Weyl, Manager (Buildings Initiative), World Resources Institute**

Debbie is a Manager for the Buildings Initiative at WRI Ross Center for Sustainable Cities. She leads an expanding global partnership to accelerate building energy efficiency in cities around the world. She also contributes to program management and development, research, and knowledge exchange for urban energy efficiency and sustainability. She lives in Washington, DC.



**Katrin Klingenberg, PHIUS**

Katrin is the executive director and co-founder of the Passive House Institute US (PHIUS), Chicago, Illinois, USA. She is the lead instructor for the PHIUS Certified Passive House Consultant (CPHC) training. She also directs the technical and research programs at PHIUS which has trained over 2,000 architects, engineers, energy consultants, energy raters and builders in passive building standards. PHIUS has become the leading passive building research and information provider in North America.



**Vinh Mason, City of Portland**

Vinh is the Senior Energy Policy Advisor for the City of Portland's Bureau of Planning and Sustainability where he develops strategies to reduce carbon emissions while advancing racial equity. His career in sustainable development began in 1992 as an environmental engineering consultant. Prior to joining the City, Vinh was an environmental science professor at two Portland colleges where he taught courses on climate change and sustainable solutions. He holds a BS in chemical engineering from the University of California – Santa Barbara and an MS in environmental management from Portland State University.



## **2020 Board Elections**

### **Board Officers**

President / Current: David Goldstein  
Vice President / Current: Peter Turnbull  
Treasurer / Current: Steve Nadel  
Secretary / Current: Marge Anderson  
Diversity Officer / Current: Marge Anderson

### **Committee Membership**

Finance Committee / Current: Steve, David, Mark  
Governance Committee / Current: Patrick, David, Peter, Marge  
Diversity Committee / Current: Marge, Jeff, Michael, Mona

### **Committee Chairs\***

Governance / Current: Patrick O'Shei

\*Historically, the Executive, Finance, and Diversity Committee Chairs have been the respective Board Officers (President for Executive Committee, Treasurer for Finance Committee, Diversity Officer for Diversity Committee).

New Buildings Institute, Inc.  
Financial Statements  
September 30, 2020

New Buildings Institute, Inc.  
Statements of Financial Position

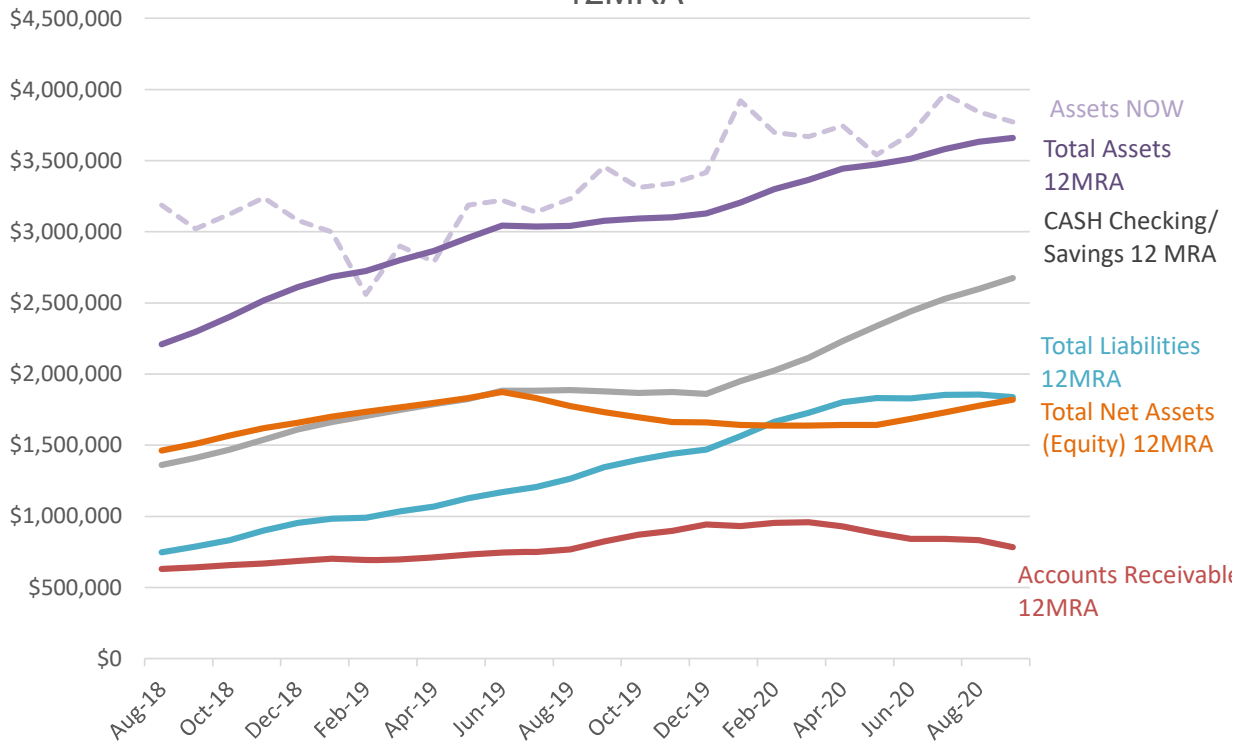
	<b>September 30, 2020</b>	<b>June 30, 2020</b>
<b>Assets:</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Cash and cash equivalents	\$ 2,798,488	\$ 3,022,729
Accounts receivable (net)	782,836	470,645
Prepaid CEC LBNL services	119,924	126,010
Prepaid expenses, deposits & supplies	48,040	42,310
Current assets	3,749,288	3,661,694
Other assets	-	-
Fixed assets (net)	22,086	24,245
<b>Total assets</b>	<b>\$ 3,771,374</b>	<b>\$ 3,685,938</b>
<b>Liabilities and net assets:</b>		
Accounts payable and credit cards	\$ 292,758	\$ 258,518
PPP loan	393,475	393,475
Deferred Revenue - Grants	71,778	-
Deferred revenue - LBNL services	119,924	126,010
Deferred revenue - Sponsorships	288,018	186,402
Deferred revenue - Forum Registration	-	-
Deferred revenue - Contracts	392,118	371,876
Payroll liabilities	224,947	211,911
Current liabilities	1,783,018	1,548,192
Other accrued liabilities	-	-
Total liabilities	1,783,018	1,548,192
<b>Net assets (Equity):</b>		
Unrestricted Net Assets	2,079,972	1,827,328
Temporarily Restricted Net Assets	57,774	310,418
Net Income	(149,390)	-
Total net assets	1,988,356	2,137,746
<b>Total liabilities and net assets</b>	<b>\$ 3,771,374</b>	<b>\$ 3,685,938</b>

**CURRENT RATIO (Current Assets / Current Liabilities)**

2.1

2.4

## NBI Balance Sheet 12MRA



\* Assets NOW - Assets by Month

All other information - MRA (Monthly Rolling Average)

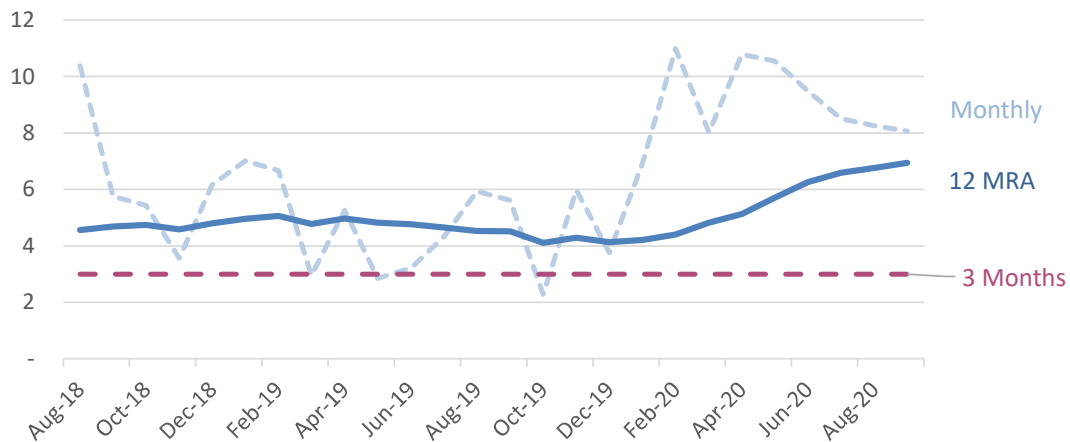
1)

### Defensive Interval (DI)

$$DI = (\text{Cash} + \text{Marketable Securities}) / \text{Average Monthly Expenses}$$

Reflects how many months the organization could operate if no additional funds were received

## Defensive Ratio 12MRA



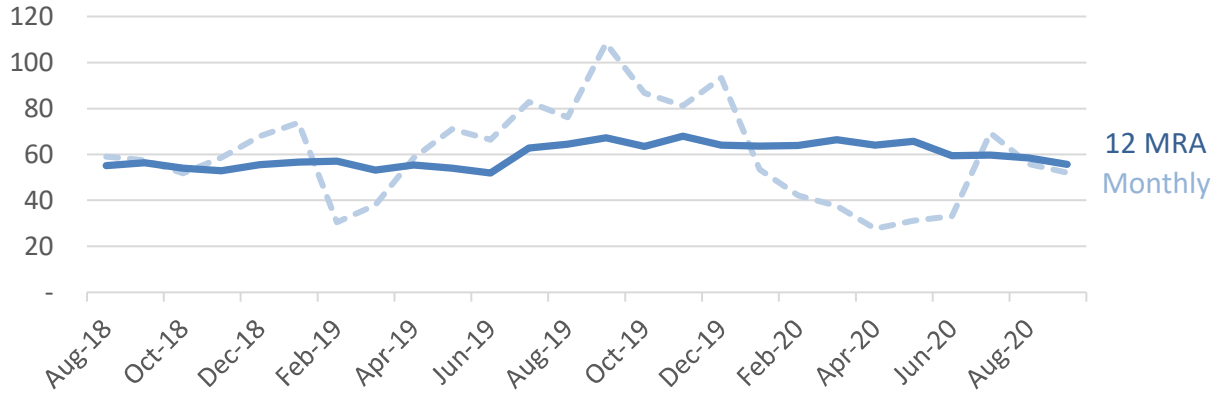
2)

**Accounts Receivable Collection Period 12MRA**

**AR Collection Period = Average Accounts Receivable / (Annual Income / 365 days)**

Reflects how many days receivables remain unpaid.

**Accounts Receivable Collection Period 12MRA**

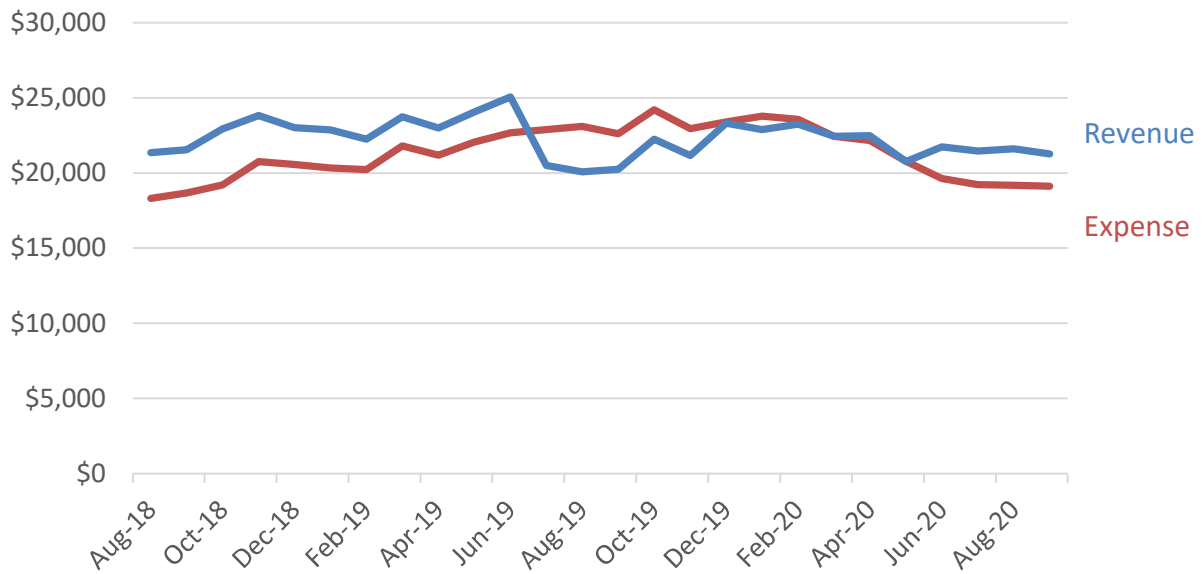


3)

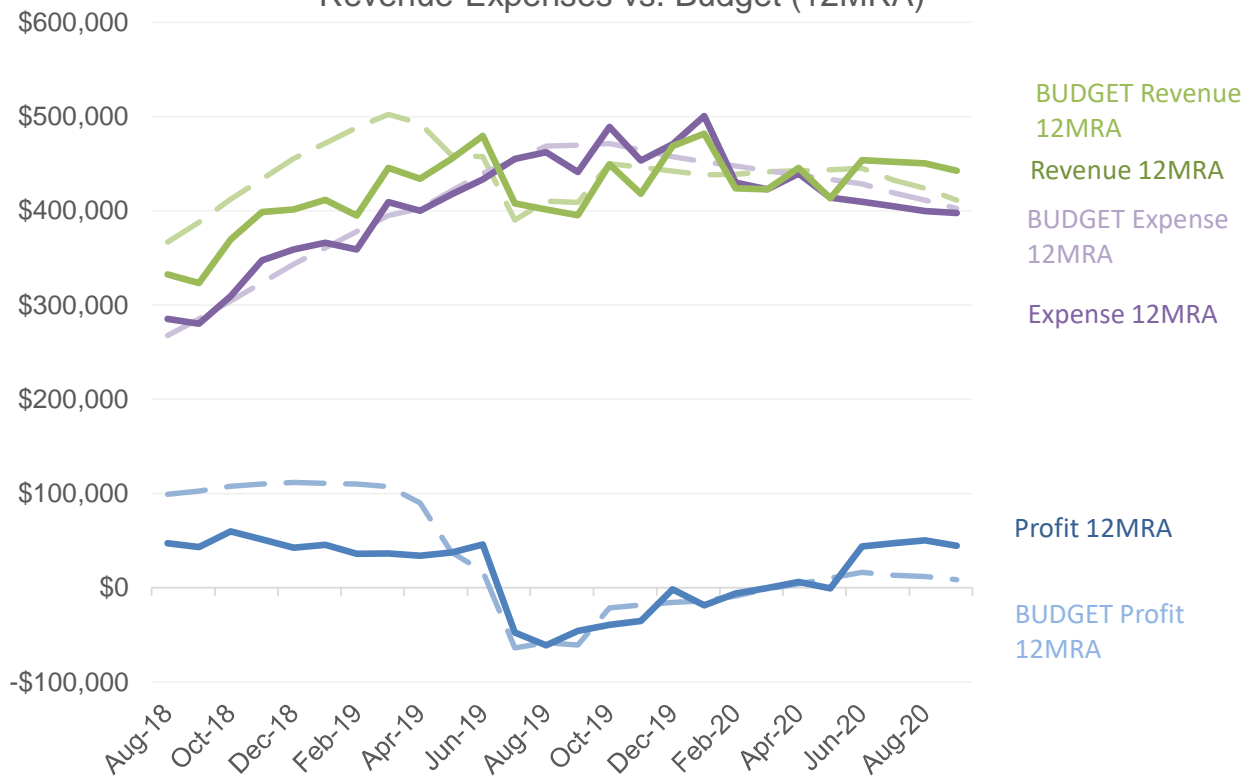
**Expenses vs Revenues Per Employee (FTE) 12MRA**

**Expenses and Revenues / Average FTE**

**Expenses vs Revenues 12MRA per Average FTE**

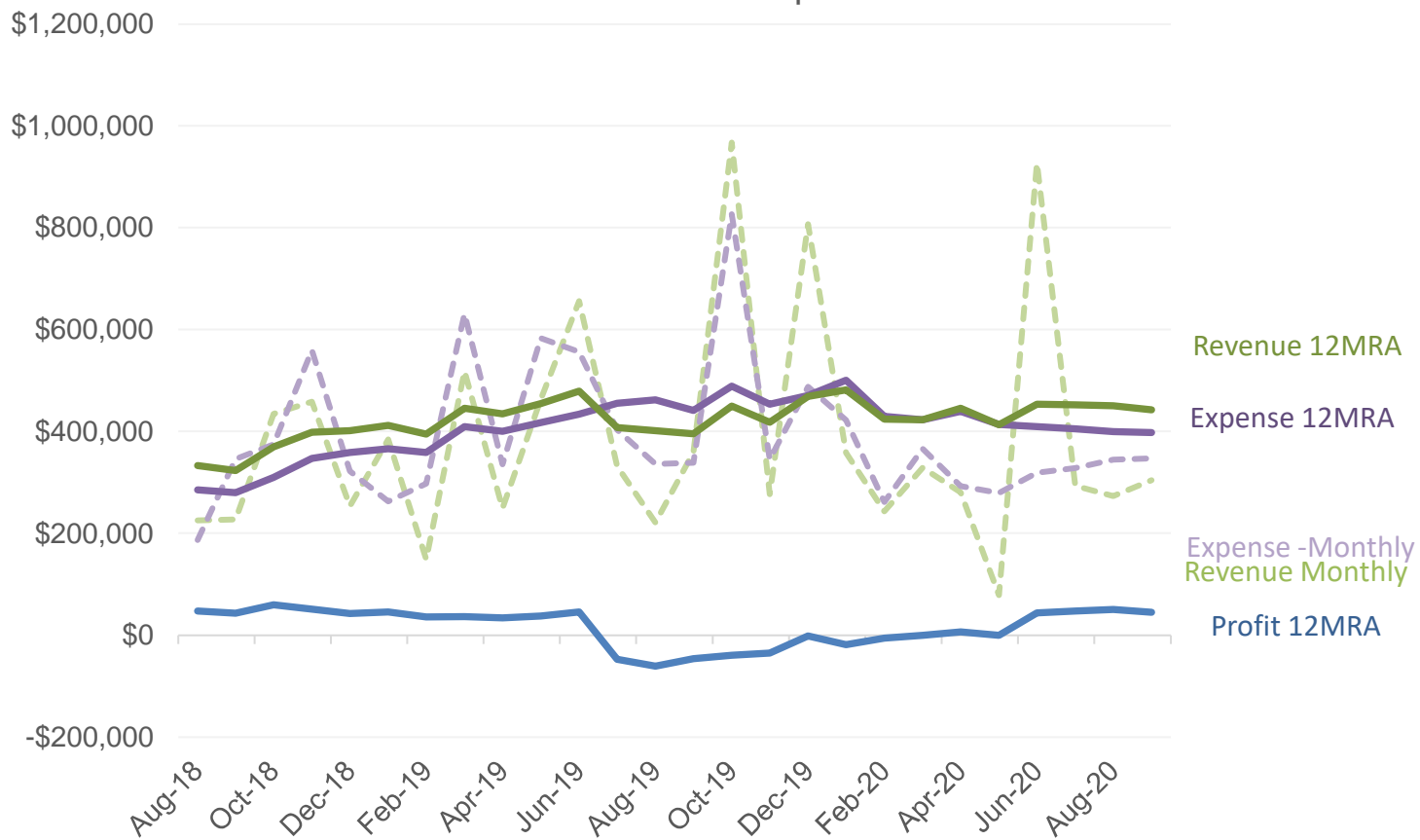


Revenue-Expenses vs. Budget (12MRA)





# Revenue and Expense



New Buildings Institute, Inc.

## Revenue Year to Date Actual versus Full Year Budget

Through September 30, 2020

	YTD Revenue	Full Year Budgeted	Remaining amount to be raised	% yet to be raised	Full Year Revenue	Full Year Budgeted	Variance Favorable <Unfavorable>	Variance %
Contributions and Foundation Grant Support	\$ 108,282	\$ 960,000	\$ (851,718)	-89%	\$ 959,060	\$ 960,000	\$ (940)	0%
Program Service Revenue	648,595	2,833,133	\$ (2,184,538)	-77%	2,802,361	2,833,133	\$ (30,772)	-1%
Sponsorship Income	110,134	465,135	\$ (355,001)	-76%	418,452	465,135	\$ (46,683)	-10%
Forum Sponsorships	-	-	\$ -	\$0 Budget	-	-	\$ -	-
Forum Registration Fees	-	-	\$ -	\$0 Budget	-	-	\$ -	-
Other Income	3,220	10,500	\$ (7,280)	-69%	11,449	10,500	\$ 949	9%
<i>Revenues for Future Years (multi-year grants)</i>	-	-	-	-	-	-	-	-
<b>Total New Revenue</b>	<b>\$ 870,231</b>	<b>\$ 4,268,768</b>	<b>\$ (3,398,537)</b>	<b>-80%</b>	<b>\$ 4,191,322</b>	<b>\$ 4,268,768</b>	<b>\$ (77,446)</b>	<b>-2%</b>

Portion of the year remaining = 75%

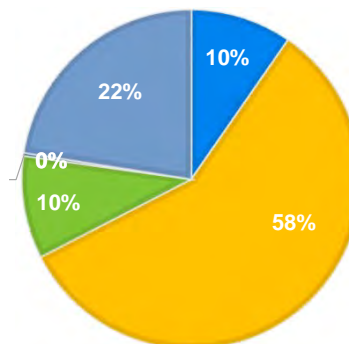
### Carry Forward from FY19/20 Previous Year

Temporarily Restricted Net Assets (Grants)	310,418
Unrestricted Net Assets	1,827,328
Other Revenue	-
<b>Total Funds Carried Forward from Previous Year</b>	<b>2,137,746</b>
<b>Total Funds</b>	<b>3,007,977</b>

### Budgeted/Projected Carry Forward to Future Year (@6/30/21)

Temporarily Restricted Net Assets (Grants)	281,250
Unrestricted Net Assets	1,855,057
Other Revenue	-
<b>Total Funds Carried Forward to Future Year</b>	<b>2,136,307</b> budgeted/projected

**NBI SOURCES OF REVENUE  
SEPTEMBER 2020**



- Contributions and Foundation Grant Support
- Program Service Revenue
- Sponsorship Income
- Forum Sponsorships
- Forum Registration Fees
- Other Income
- Prior Yr. Temp. Restr. Net Assets Released from Restriction

New Buildings Institute, Inc.

## Expenses YTD by Type of Expense

Through September 30, 2020

DESCRIPTION	30-Sep-20 YTD ACTUAL	30-Sep-20 YTD BUDGET	VARIANCE	
			Favorable <Unfavorable>	%
Cost of Revenue (subcontractors & direct cost) \$	327,585	\$ 330,666	\$ 3,081	1%
Forum direct expenses	0	15,000	15,000	100%
Personnel services	624,429	662,923	38,494	6%
Professional fees	11,752	21,884	10,132	46%
Occupancy	23,090	23,550	460	2%
Communications	7,774	15,349	7,575	49%
Travel / Meetings (non-billable)	0	2,610	2,610	100%
Other expenses	24,991	29,499	4,508	15%
<b>TOTAL EXPENSES \$</b>	<b>\$ 1,019,621</b>	<b>\$ 1,101,481</b>	<b>\$ 81,860</b>	<b>7%</b>

## Expenses YTD vs Full Budget by Type of Expense

Through September 30, 2020

DESCRIPTION	30-Sep-20 YTD ACTUAL	2020-2021 FULL BUDGET	VARIANCE	
			Favorable <Unfavorable>	%
Cost of revenue (subcontractors & direct cost) \$	327,585	\$ 1,149,393	\$ 821,808	71%
Forum direct expenses	0	59,245	59,245	100%
Personnel services	624,429	2,687,252	2,062,823	77%
Professional fees	11,752	81,340	69,588	86%
Occupancy	23,090	97,692	74,602	76%
Communications	7,774	61,076	53,302	87%
Travel / Meetings (non-billable)	0	23,620	23,620	100%
Other expenses	24,991	109,138	84,147	77%
<b>TOTAL EXPENSES \$</b>	<b>\$ 1,019,621</b>	<b>\$ 4,268,756</b>	<b>\$ 3,249,135</b>	<b>76%</b>

Portion of the year remaining = 75%

## Full Year Projected Expenses vs Full Year Budget

Through September 30, 2020

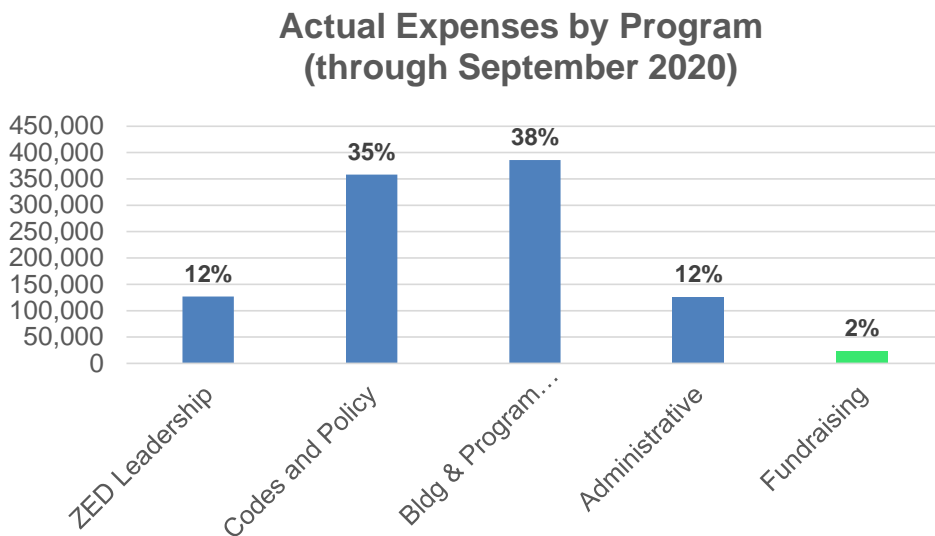
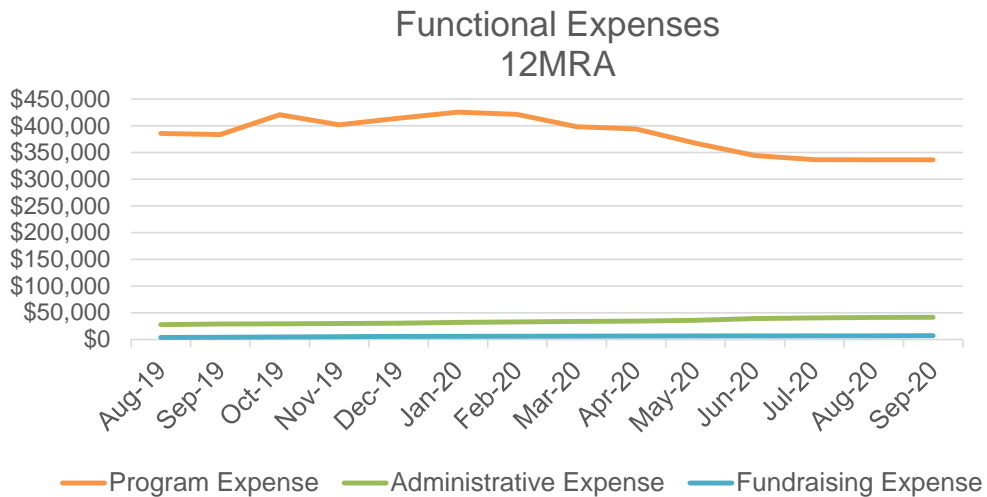
DESCRIPTION	2020-2021 PROJECTED	2020-2021 FULL BUDGET	VARIANCE	
			Favorable <Unfavorable>	%
Cost of revenue (subcontractors & direct cost) \$	1,146,312	\$ 1,149,393	\$ 3,081	0%
Forum direct expenses	49,245	59,245	10,000	17%
Personnel services	2,649,623	2,687,252	37,629	1%
Professional fees	71,208	81,340	10,132	12%
Occupancy	97,232	97,692	460	0%
Communications	53,501	61,076	7,575	12%
Travel / Meetings (non-billable)	21,010	23,620	2,610	11%
Other expenses	104,630	109,138	4,508	4%
<b>TOTAL EXPENSES \$</b>	<b>\$ 4,192,761</b>	<b>\$ 4,268,756</b>	<b>\$ 75,995</b>	<b>2%</b>

New Buildings Institute, Inc.

# Actual Expenses by Program

Through September 30, 2020

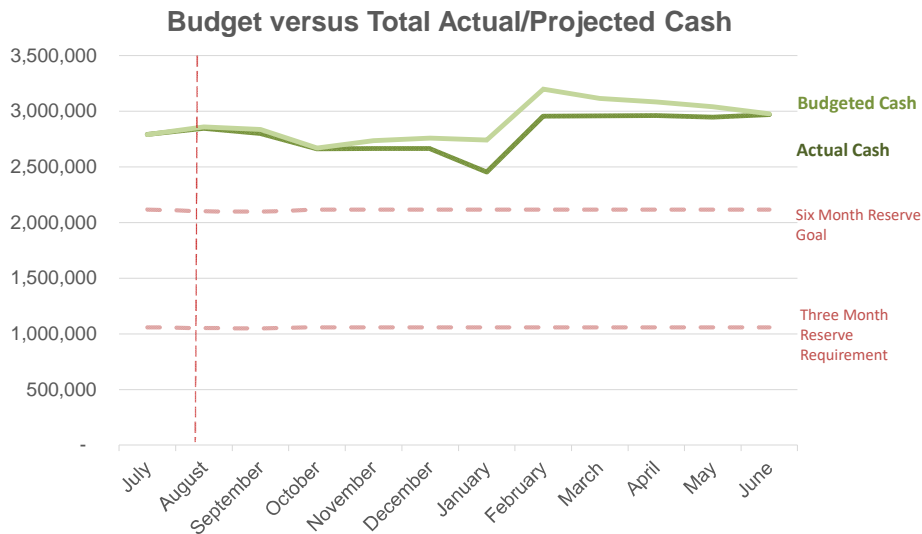
DESCRIPTION	30-Sep-20 YTD ACTUAL	%
<b>Programs</b>		
<b>ZED Leadership</b>	\$ 126,865	12%
<b>Codes and Policy</b>	358,098	35%
<b>Bldg &amp; Program Innovation</b>	385,636	38%
<b>Administrative</b>	126,080	12%
<b>Fundraising</b>	22,942	2%
<b>TOTAL EXPENSES \$</b>	<b>1,019,621 \$</b>	<b>100%</b>



New Buildings Institute, Inc.  
**Actual/Projected Cash Flows**

For the year 2020-21

	Actual ----->			Projected/Budgeted ----->									
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Cash at the beginning of the month	\$ 3,022,729	\$ 2,791,134	\$ 2,844,770	\$ 2,798,488	\$ 2,661,681	\$ 2,662,534	\$ 2,663,234	\$ 2,452,312	\$ 2,952,877	\$ 2,957,034	\$ 2,959,651	\$ 2,945,439	\$ 3,022,729
Add revenue	293,326	272,883	304,022	295,672	321,038	293,538	406,327	345,311	322,506	286,434	280,433	769,832	4,191,322
Less expenses	(328,080)	(344,396)	(347,145)	(371,922)	(345,962)	(347,822)	(343,415)	(342,516)	(335,789)	(303,328)	(298,956)	(483,430)	(4,192,761)
Changes in Pledges & Accounts Receivable	(508,796)	166,051	30,555	(8,997)	69,337	135,544	(533,870)	541,330	65,000	60,071	39,871	(181,081)	(124,986)
Changes in Prepaids & Customer Deposits	(6,736)	11,825	(4,734)	-	-	-	-	-	(10,000)	(10,000)	(10,000)	(10,000)	(39,644)
Changes in AP and Accrued Expenses	(18,852)	20,846	32,247	(6,000)	-	-	-	-	10,000	13,000	20,000	135,000	206,240
Changes in Accrued Payroll Liabilities	8,494	15,456	(10,914)	-	-	-	10,596	-	-	-	-	-	23,632
Changes in Deferred Revenue	327,584	(90,494)	(49,540)	(45,000)	(45,000)	(80,000)	250,000	(45,000)	(45,000)	(45,000)	(45,000)	(208,000)	(120,450)
Changes in Loan Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
fixed assets acquisition, disposals, depreciation	1,465	1,465	(772)	(560)	1,440	(560)	(560)	1,440	(560)	1,440	(560)	1,440	5,119
other non-cash adjustments, rounding	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash at the end of the month	\$ 2,791,134	\$ 2,844,770	\$ 2,798,488	\$ 2,661,681	\$ 2,662,534	\$ 2,663,234	\$ 2,452,312	\$ 2,952,877	\$ 2,957,034	\$ 2,959,651	\$ 2,945,439	\$ 2,969,200	\$ 2,971,200
Actual per GL	2,791,134	2,844,770	2,798,488										
Unrestricted Cash in Checking/Savings Accounts	132,526	900,470	1,654,165	981,294	1,095,439	1,204,430	553,386	1,141,329	1,223,863	1,303,858	1,362,023	1,480,433	
Unrestricted Cash in CDARS	1,460,005	833,989	334,635	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	
Temporarily Restricted Cash in CDARS	750,000	750,000	750,000	-	-	-	-	-	-	-	-	-	
Temporarily Restricted Cash	448,603	360,312	59,689	930,387	817,096	708,804	1,148,927	1,061,549	983,171	905,793	833,416	738,767	
													<i>Temp-restr.Net Assets, deferred sponsorships, contracts and deferred grants (excludes amounts still receivable)</i>
Three Month Reserve Requirement	1,058,050	1,049,918	1,048,190	1,058,050	1,058,050	1,058,050	1,058,050	1,058,050	1,058,050	1,058,050	1,058,050	1,058,050	
Six Month Reserve Goal	2,116,100	2,099,835	2,096,381	2,116,100	2,116,100	2,116,100	2,116,100	2,116,100	2,116,100	2,116,100	2,116,100	2,116,100	



**Reconciliation between Unrestricted Cash & Unrestricted Net Assets**

	30-Jun-20	30-Sep-20
<b>Unrestricted Cash</b>	1,883,558	1,988,799
AR - Unrestricted Rev minus AP	(31,985)	(36,132)
Fixed assets, net of accumulated depreciation	(24,245)	(22,086)
<b>Unrestricted Net Assets plus Net Income</b>	1,827,328	1,930,581

	FY20/21 AVG	Reserve	
		3 mo	6 mo
AVG Monthly Expense:	(349,397)	(1,048,190)	(2,096,381)
AVG Monthly Expense w/o CEC budgeted subs:	(294,442)	(883,326)	(1,766,651)
AVG Monthly Expense w/o CEC actual subs:	(294,442)	(883,326)	(1,766,651)

**BYLAWS**  
**Of**  
**NEW BUILDINGS INSTITUTE, INC.**

**December 18, 1997**  
Revised January, 2002  
Revised November, 2010  
Revised March, 2016  
Revised December, 2019  
Draft Revision December, 2020

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## ARTICLE 1

### General Provisions

1.1 Name. The name of this corporation shall be New Buildings Institute, Inc., and shall herein be referred to as the “Corporation.”

1.2 Offices. The principal business office of the Corporation shall be at 623 SW Oak Street, Third Floor, Portland, Oregon, 97205. The Corporation may also have offices at such other places as the corporation may require.

1.3 Fiscal Year. The fiscal year of the Corporation shall begin on July 1 and end on the following June 30 of each year.

1.4 No Members. The Corporation shall have no members. No person now or hereafter designated by the Corporation as a “member” for any purpose shall be or be deemed to be a member for purposes of the Articles of Incorporation or Bylaws of the Corporation or for purposes of California or any other law, rule or regulation. Any action or vote required or permitted by the California Corporations Code or any other law, rule or regulation to be taken by members shall be taken by action or vote of the same percentage of the board of directors of the Corporation.

## ARTICLE 2

### Statement of Purposes

2.1 Purpose. The Corporation is organized to:  
Promote and foster energy efficiency, carbon mitigation, conservation of natural resources, and energy policy development in the built environment through activities including, but not limited to:

- the development of energy efficiency standards in buildings;
- the development of methods for constructing and retrofitting buildings to provide safe, innovative, decarbonized and energy efficient structures in both the residential and commercial sectors;
- the delivery of energy and carbon solutions to anticipate and meet the energy management needs of our partners; and
- the conduct of programs that foster and encourage a sustainable energy future.

Conduct research, provide education, and support energy efficiency and carbon mitigation policies and programs that will increase resilience and reduce the harmful effects of activities that cause climate disruption.

Engage in all activities in furtherance of or relating to the above-stated purposes which may lawfully be carried on by a corporation formed under the California Corporations

Code and which are not inconsistent with the corporation's qualification as an organization described in Section 501(c)(3) of the Internal Revenue Code or corresponding section of any further tax code.

2.2 Mission. The Corporation pushes for better buildings that achieve zero energy, zero carbon, and beyond – through research, policy, guidance, and market transformation – to protect people and the planet.

## ARTICLE 3

### Board of Directors

3.1 Authority. The business and affairs of the Corporation shall be controlled and governed by the board of directors, which shall have the right to exercise all powers of the Corporation as permitted by law. The number of directors and the manner by which new directors are nominated and appointed shall be determined by the directors.

3.2 Number. The board of directors shall consist of not less than five (5) nor more than ~~fifteen (15) directors~~ eighteen (18) directors. The number of directors shall be set from time to time by resolution of the board.

3.3 Nomination of Directors. The incumbent board of directors shall nominate and elect new board members. Nomination and election require a 51% affirmative vote of the directors present at the meeting during which the nomination is discussed.

3.4 Terms of Office. The members of the board of directors shall serve three (3) year terms. Prior to the end of their term, directors may be reelected by a majority of board members. Each director shall be eligible for re-election to the board for a maximum of three (3) consecutive terms of three (3) years. At the conclusion of the board member's third term, the board member will be eligible for board membership only after a one (1) year hiatus off the board. At each subsequent annual meeting of the board at which directors are elected, the successor of each of those directors whose term then expires shall be elected to serve a term of three (3) years and until his or her successors are elected and qualified or until their earlier death, resignation, term limitation or removal. The board of directors may invoke a one (1) year extension of a board officer's term if they are without a replacement.

3.5 Participation. Members of the board of directors are required to participate in at least one board meeting in-person annually, preferably the annual meeting. Recognizing the broad authority and responsibility vested in the board for the governance of the Corporation, each director is expected to become knowledgeable regarding programs of the Corporation, as well as the duties, responsibilities and obligations of directors. Each director shall use reasonable effort to attend board and assigned

committee meetings; shall come prepared to each meeting to make reasoned and informed decisions based on the information available.

3.6 Meetings. The board of directors shall hold an annual meeting each year and may elect the time and place for annual and other meetings of the board. Other meetings of the board of directors may be called by the president of the board or by a majority of the directors then in office by delivering notice, in writing, of the date, time, place and purpose of such meeting to all directors at least thirty (30) days in advance of such meeting or seven (7) days in cases of emergency.

3.7 Quorum and Voting. A majority of the board of directors who have voting power shall constitute a quorum for the transaction of business at any meeting of the board. At any meeting of the board of directors at which a quorum is present, a majority of those directors who have voting power and are present shall decide any matter, unless a different vote is specified by law, the Articles of Incorporation or these Bylaws.

3.8 Virtual Meetings. One or more directors may participate in any annual, regular or special meeting of the board by means of web or telephone conference or similar communications equipment by which all persons participating in the meeting are able to hear each other at the same time.

3.9 Action Without a Meeting. Any action required or permitted to be taken at any board meeting may be taken without a meeting if a consent, in writing, setting forth the action as taken shall be signed by a two-thirds majority of the directors with respect to such subject matter. Such consent, which may be signed in counterparts, shall have the same force and effect as a vote of the board of directors. Directors may indicate an affirmative vote by “signing” such written consents electronically via email as long as (i) the Secretary has on file signed authorization from each director indicating his or her current email address and consent to conduct board action by email and (ii) the emailed votes are printed and filed with the minutes of the proceedings of the board.

(a) Action by Email Poll. Action required or permitted to be taken by the board may be taken by email poll if:

(i) the Secretary has on file a signed authorization from each director indicating his or her current email address and consent to conduct board action by email,  
(ii) each director receives a copy of a “Proposal to Take Action via Email” message at his or her current email address,

(iii) the message describes the proposed action and when it will be effective,

(iv) directors are provided at least 48 hours to vote,

~~(viii)~~ (v) the message indicates that the Proposal is open for discussion and that all comments on the Proposal must be sent to all other directors through use of a “Reply All” or similar function,

~~(viiv)~~ (vi) the Proposal indicates that any director who believes the Proposal should not be passed via email poll may so state in his or her reply and the Proposal will be held for the following board meeting,

~~(viiiv)~~ (vii) at the conclusion of discussion messaging, the director who originated the

Proposal shall call for a vote for or against the Proposal, and each director shall send his or her vote to all other directors,  
(viii) the originator shall then reply to all directors stating whether the Proposal has passed, and  
(ix) the emailed votes are printed and filed with the minutes of the proceedings of the board.

3.10 Waiver of Notice for Meetings. Whenever any notice of a meeting is required to be given to any director under the Articles of Incorporation, these Bylaws, or the laws of California, a waiver of notice in writing signed by the directors, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

3.11 Compensation. Directors as such shall not receive any salaries for their services on the board, but directors shall not be precluded from serving the Corporation in any other capacity and receiving reasonable compensation.

3.12 Resignation. Any director may resign by delivering a written resignation or email message to the Corporation at its principal office or to the president or secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at a later time. Failure to respond to an email or letter inquiry within 45 days and a minimum of 2 attempts by board or staff members, absent extenuating circumstances or approval by the board majority, will be considered a de facto resignation.

3.13 Removal. Any director may be removed, with or without assignment of cause, by a vote of two-thirds of the entire board of directors at any meeting of the board of directors. No members of the board shall be removed from office unless the notice of the meeting at which removal is to be considered states such purpose and opportunity to be heard at such meeting is given to the director whose removal is sought.

3.14 Attendance. Members of the board of directors are required to participate in at least one board meeting in-person annually. Any board member who misses three consecutive meetings shall be considered to have tendered a de facto resignation, absent extenuating circumstances and approval by the board majority. In the event of circumstances which prevent in-person meetings due to health or safety, board meetings will be held virtually, and the in-person attendance requirement will be waived.

3.15 Vacancies. Any vacancy occurring in the board of directors shall be filled by the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

## ARTICLE 4

### Officers

4.1 Officers. The officers of the Corporation shall be a president, vice president, treasurer, secretary and diversity officer of the board of directors, and such other officers as may be elected in accordance with the provisions of this Article.

4.2 Election. The officers of the Corporation shall be elected annually by the board of directors at the annual meeting. Each officer shall hold office until a successor shall have been elected and qualified.

4.3 President. The president shall preside or designate another board member to preside at all meetings of the board of directors. The president or other proper officer or agent of the Corporation authorized by the board of directors may sign any deeds, mortgages, bonds, contracts, receive and give receipt for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the board of directors or other instruments which the board of directors has authorized to be executed. The president shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time. [The outgoing president may remain on the board in a non-voting president emeritus role for one \(1\) year to be used as a transition period.](#)

4.4 Vice President. The vice president shall act on behalf of the president in his/her absence; represent the Corporation to sponsors and other such duties as may be prescribed by the board of directors and, if required, will act as president until a successor is elected.

4.5 Treasurer. The treasurer, or other proper officer or agent of the corporation authorized by the board of directors shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipt for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the board of directors; and in general perform all of the duties incident to the office of treasurer and such others as may from time to time be assigned by the board of directors.

4.6 Secretary. The secretary shall keep the minutes of the meetings of the board of directors in one or more books provided for that purpose; ensure that all notices are given in accordance with the provisions of these bylaws; be custodian of the corporate records; and in general perform all such duties as may from time to time be assigned by the board of directors. The secretary may delegate any or all of the above duties to a member of the corporation's staff.

4.7 Diversity Equity and Inclusion Officer. A board member or an employee will fill this role. The person will assume diversity, equity and inclusion oversight. Responsibilities include cultivating partner and program engagement opportunities; engaging with and supporting the work of marginalized communities; and identifying staff

training to further behaviors, attitudes, and policies that encourage and support diversity, equity, and inclusion.

## ARTICLE 5

### Committees

5.1 Board Committees. The board of directors may establish at their discretion one or more standing or special-purpose committees to direct the business of the Corporation. Each such committee may exercise the authority granted to it by the board's enabling resolution. Committee members will be elected at the annual meeting.

(a) Limitation on Committee Powers. No committee shall have the authority of the board of directors to:

- (i) amend, alter or repeal the Bylaws;
- (ii) elect, appoint or remove any member of any such committee or any director or officer of the Corporation;
- (iii) amend the Articles of Incorporation;
- (iv) adopt a Plan of Merger or adopt a Plan of Consolidation with another corporation;
- (v) authorize the sale, lease or exchange of all or substantially all of the property and assets of the Corporation not in the ordinary course of business;
- (vi) authorize the voluntary dissolution of the Corporation or revoke proceedings therefore;
- (vii) adopt a plan for the distribution of the assets of the Corporation; or
- (viii) amend, alter or repeal any resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by such committee;
- (ix) rules governing procedures for meetings of any committee of the board shall be as established by the board of directors or, in the absence thereof, by the committee itself. If no rules are established, then the rules that govern the directors shall govern each committee;
- (x) all committees are to report promptly to the board and only take such action(s) as is (are) specifically designated in these Bylaws or in the resolution establishing the committee or setting forth its duties and responsibilities. Each committee shall consist of two (2) or more directors and such other persons as the board may designate, who need not be members of the board of directors.

(b) Committee Chair. The president, with the approval of the board of directors, shall appoint all committee chairs for the ensuing year at or within a reasonable time after the annual meeting of the board of directors. Committee chairs shall be members of the Corporation's board of directors. If the board of directors establishes a new committee by resolution at a meeting other than the annual meeting of the board of directors, the board president, with the approval of the board of directors, shall similarly appoint its Chair at the time the committee is established or within a reasonable time after the establishment of the committee.

(c) Committee Meetings. Meetings of committees of the board of directors may be called by the respective Chairs of the committee or by any two (2) members of the committee. At all meetings of any committee, a majority of the members of the committee shall constitute a quorum for the transaction of business, and the act of a majority of the members of the committee present at any meeting thereof at which there is a quorum shall be the act of the committee, except as may be otherwise specifically provided for by these Bylaws. Meetings may be held at such place and time as shall be determined by the committee. Regular minutes of the proceedings of the committee shall be kept. [All voting members of committees exercising the authority of the board must be directors.](#)

(d) Reports to Board Required. All actions of the committee shall be reported to the Board of Directors at its next meeting succeeding such action.

(e) Rules of Procedure. The committee shall fix and establish its own rules of procedure and shall meet as provided by such.

(f) Resignation. Any member of any committee may resign at any time by delivering written notice thereof to the board president, the secretary or the chair of such committee, or by giving oral or written notice at any meeting of such committee. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(g) Removal of Committee Member. The board, by resolution adopted by a majority of the directors in office, may remove from office any member of any committee elected or appointed by it.

## 5.2 Executive Committee.

Each year, at its annual meeting, the board of directors shall elect from those who are, or are to be, directors of the Corporation upon election, a committee consisting of at least four (4) directors. The committee or its chair may invite, at their discretion, other directors, officers, staff, or other persons to attend committee meetings.

(a) Powers and Functions. During the intervals between meetings of the board of directors, the executive committee shall, subject to Section 5.1(a) hereof, possess and may exercise all the powers and functions of the board of directors in the management and direction of the affairs of the Corporation in all cases in which specific direction shall not have been given by the board of directors.

(b) Review and Evaluate. Conduct annual year-end review and evaluation of Chief Executive Officer's (CEO) performance and recommend to the board or determine the annual salary and other benefits, direct or indirect, of the



Corporation's CEO consistent with any and all employment contracts that may then be in place with the CEO.

(c) Perform Other Assignments. Perform such other functions as may be assigned to it by law, the Corporation's Bylaws, or the board of directors.

### 5.3 Governance Committee

(a) Powers and Functions. During the intervals between meetings of the board of directors, the Governance Committee shall, subject to Section 5.1(a) hereof, possess and may exercise necessary means so that board members and committees of the board understand and are able to exercise proper governance of NBI in delivering its mission throughout the course of the year.

(b) Review and Evaluate. Conduct regularly scheduled re-examinations of NBI's Mission Statement, Vision Statement, Bylaws and operating policies and suggest revisions in advance of the annual meeting.

(c) Perform Other Assignments. Perform such other functions as may be assigned to it by law, the Corporation's Bylaws, or the board of directors.

### 5.4 Finance Committee

(a) Powers and Functions. During the intervals between meetings of the board of directors, the Finance Committee shall, subject to Section 5.1(a) hereof, possess and may exercise necessary means to evaluate internal accounting and plan an independent annual review.

(b) Review and Evaluate. Conduct a review of financial statements, internal accounting controls and the annual external audit.

(c) Perform Other Assignments. Perform such other functions as may be assigned to it by law, the Corporation's Bylaws, or the board of directors.

### 5.5 Diversity Committee

(a) Powers and Functions. The Diversity Committee shall champion and oversee diversity, equity, and inclusion efforts for NBI Board, staff, partnerships, and programs.

(b) Review and Evaluate. Determine and regularly re-examine NBI's Diversity Statement, DEI goals, and progress made towards those goals.

(c) Perform Other Assignments. Perform such functions as may be assigned to it by the Corporation's Bylaws or the board of directors.

## ARTICLE 6

## **Corporate Transactions**

6.1 **Contracts.** The board of directors may authorize the CEO and any officer or officers of the Corporation in addition to the officers so authorized by these Bylaws to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined by specific instances. [\(a\) Per Resolution 20-4, dated June 1, 2020, the CEO is granted authority to sign all contracts for New Buildings Institute with the exception of deeds, mortgages, bonds, and other evidence of debt. A change in leadership or a significant financial event, as identified by the Finance Committee, shall require this Resolution to be reviewed and reauthorized.](#)

6.2 **Indebtedness.** All checks, drafts or orders for the payment of money, notes or other evidence or indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation as from time to time may be determined by the board of directors. In the absence of such determination of the board, such instruments shall be signed by the Treasurer of the Corporation.

6.3 **Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the board of directors shall select.

6.4 **Contributions.** The board of directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

## **ARTICLE 7**

### **Books and Records**

7.1 **Books and Records.** The Corporation shall keep at the principal office of the Corporation correct and complete books and records of account; minutes of the proceedings of board of directors; and a register of the names and addresses of the directors of the Corporation. All books and records of the Corporation may be inspected by any director, or agent or attorney thereof, for any proper purpose at any reasonable time.

7.2 **Records Retention.** The Corporation shall maintain a Record Retention Policy in the Accounting & Financial Policies and Procedures Manual. The policy shall be designed to maintain records in accordance with state and Federal requirements and protect the Corporation from the destruction of important documents. The policy shall be written and maintained in accordance with document retention regulations. The board shall review the policy annually.

## **ARTICLE 8**

### **Restrictions on Activities**

Notwithstanding any other provisions of these Bylaws, no director, officer, employee, agent or any other representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken by an organization exempt under section 501(c)(3) of the Internal Revenue Code, as it now exists or may hereafter be amended, or any corresponding section of any future tax code.

## **ARTICLE 9**

### **Whistle Blower Policy**

The Corporation shall maintain a Whistleblower Policy in the Corporation's Personnel Policies and Benefits Advisory Manual. The policy shall be designed to protect employees and address the Corporation's commitment to integrity and ethical behavior. The policy shall be written and maintained in accordance with whistleblower protection regulations. The board shall review the policy annually.

## **ARTICLE 10**

### **Dissolution**

In the event of dissolution of the Corporation, the board of directors shall, after paying or making provisions for the payment of all of the liabilities of the Corporation to the extent assets of the Corporation permit, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation exclusively for the purposes of the Corporation, as the board of directors shall determine, in such manner as required by section 501(c)(3) of the Internal Revenue Code (or corresponding provision of any future United States Internal Revenue law) and in accordance with the statutes of the State of California.

## **ARTICLE 11**

### **Conflicts of Interest**

For purposes of this provision, the term "interest" shall include personal interest, interest as director, officer, or beneficiary of any concern and having an immediate family member who holds such an interest in any concern. The term "concern" shall mean any corporation, association, trust, partnership, limited liability entity, firm, person or other entity other than the Corporation.

No director or officer of the Corporation shall be disqualified from holding any office in the Corporation by reason of any interest in any concern. A director or officer of the Corporation shall not be disqualified from dealing, either as vendor, purchaser or otherwise, or contracting or entering into any other transaction with the Corporation or with any entity of which the Corporation is an affiliate and if it has been determined that

the officer or director will not derive an improper personal benefit. No transaction of the Corporation shall be voidable by reason of the fact that any director or officer of the Corporation has an interest in the concern with which such transaction is entered into, provided:

1. The interest of such officer or director is fully disclosed to the board of directors.
2. Such transaction is duly approved by the board of directors as being in the best interests of the Corporation.
3. Any payments by the Corporation to the interested officer or director are reasonable and do not exceed fair market value.
4. No interested officer or director may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting at which such transaction may be authorized.

The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval. The board of directors may delegate to such board committee as it determines the authority to negotiate on behalf of the Corporation with an interested officer or director, subject to final approval of the board of directors.

## **ARTICLE 12**

### **Personal Liability**

No officer or director of the Corporation shall be personally liable to the Corporation for monetary damages for or arising out of a breach of fiduciary duty as an officer or director notwithstanding any provision of law imposing such liability; provided, however, that the foregoing shall not eliminate or limit the liability of an officer or director to the extent that such liability is imposed by applicable law (i) for a breach of the director's duty of loyalty to the Corporation, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law or (iii) for any transaction from which the officer or director derived an improper personal benefit.

## **ARTICLE 13**

### **Indemnification**

The Corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, director or employee of the Corporation against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally

adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the Corporation; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

This Article constitutes a contract between the Corporation and the indemnified officers, directors and employees. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer, director or employee under this Article shall apply to such officer, director or employee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

## **ARTICLE 14**

### **Amendments to Bylaws**

These Bylaws may be amended or repealed by a two-thirds majority vote of the entire board of directors. These Bylaws shall be reviewed by the board of directors annually at the annual meeting and revised as needed to changes in the organization or to ensure that the organization is in compliance with all applicable laws.

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David Goldstein, President

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Date