

Bylaws of
SMSNA FOUNDATION
A California Nonprofit Public Benefit Corporation

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ARTICLE 1 NAME

Section 1.1 Corporate Name

The name of this corporation is SMSNA Foundation (the “Foundation”).

ARTICLE 2 OFFICES

Section 2.1 Principal Office

The principal office for the transaction of the business of the Foundation may be established at any place or places within or without the State of California by resolution of the Board.

Section 2.2 Other Offices

The Board may at any time establish branch or subordinate offices at any place or places where the Foundation is qualified to transact business.

ARTICLE 3 PURPOSES

Section 3.1 General Purpose

The Foundation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law of California (“California Nonprofit Corporation Law”) for charitable purposes.

Section 3.2 Specific Purpose

The specific purpose of the Foundation shall include without limitation, a) To partner with physicians, researchers, health care professionals, patients and the public to support treatment of sexual dysfunctions in men and women through research, education and public policy; b) To advance research in sexual function and health: to support basic science in sexual dysfunctions and to support clinical care in sexual health by promoting best practices in sexual health through medical and surgical guidelines and by promoting outcomes research in sexual health; c) To mentor the next generation of scientists, physicians, surgeons and health providers in sexual medicine and reconstructive surgery for sexual function by supporting guidelines for advanced training in sexual medicine and surgery, by supporting fellowship training in men’s and women’s sexual health, and by supporting prosthetic fellowship training in men’s sexual health; d) To support reliable sexual health information to patients and consumers; e) To support (access to) education for researchers and clinicians through state-of-the-art scientific and educational activities; and f) To support and develop disease state specific awareness through white papers and position statement.

ARTICLE 4 LIMITATIONS

Section 4.1 Political Activities

The Foundation has been formed under California Nonprofit Corporation Law for the charitable purposes described in Article 3, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Foundation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.2 Prohibited Activities

The Foundation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article 3. The Foundation may not carry on any activity for the profit of its Officers, Directors or other persons or distribute any gains, profits or dividends to its Officers, Directors or other persons as such. Furthermore, nothing in Article 3 shall be construed as allowing the Foundation to engage in any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the

Internal Revenue Code of 1986, as amended (the “Code”) or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.

ARTICLE 5 DEDICATION OF ASSETS

Section 5.1 Property Dedicated to Nonprofit Purposes

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

Section 5.2 Distribution of Assets Upon Dissolution

Upon the dissolution or winding up of the Foundation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Foundation shall be distributed to the Sexual Medicine Society of North America on the express condition that it has tax exempt status under Section 501(c)(3) of the Code at such time. Otherwise, distribution shall be made to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Code.

ARTICLE 6 MEMBERSHIPS

Section 6.1 Members

The Foundation shall have a single member within the meaning of section 5056 of the California Nonprofit Corporation Law which shall be the Sexual Medicine Society of North America.

Section 6.2 Non-Voting Members

The Board may adopt policies and procedures for the admission of associate members or other designated members who shall have no voting rights in the Foundation. Such associate or other members are not “members” of the Foundation as defined in section 5056 of the California Nonprofit Corporation Law.

Section 6.3 Meetings and Actions

Regular meetings of the Member shall coincide with meeting of the Board of Directors of the Sexual Medicine Society of North America which body shall exercise the rights and duties of the Member. The Member may otherwise hold meeting, conduct business, secure approvals or take action as authorized under the California Nonprofit Corporation Law.

ARTICLE 7 DIRECTORS

Section 7.1 Number and Qualifications

7.1.1 Number

The authorized number of directors of the Foundation (“Directors”) shall be not less than three (3) or more than eleven (11) with the exact authorized number to be fixed, within these limits, by resolution of the Member.

7.1.2 Qualifications

Each director shall be and remain a member in good standing of the Sexual Medicine Society of North America, unless one does not qualify for Sexual Medicine Society of North America membership (included but not limited to Industry Representative (current or retired) or a Patient Advocate).

- Section 7.2 Corporate Powers Exercised by Board
Subject to the provisions of the Articles of Incorporation of the Foundation (the “Articles of Incorporation”), California Nonprofit Corporation Law and any other applicable laws, the business and affairs of the Foundation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of Directors (the “Board”). The Board may delegate the management of the activities of the Foundation to any person or persons, management company or committee however composed, provided that the activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.
- Section 7.3 Terms; Election of Successors
The term of office of each Director shall be two (2) years. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until the election and qualification of a successor, or until that Director’s earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law.
- Section 7.4 Vacancies
- 7.4.1 Events Causing Vacancy
A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) whenever the number of authorized Directors is increased; or (iii) the failure of the Board, at any meeting at which any Director or Directors are to be elected, to elect the full authorized number of Directors.
- 7.4.2 Removal
The Board may by resolution declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law.

Directors may be removed without cause by the Member.
- 7.4.3 No Removal on Reduction of Number of Directors
No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director’s term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and California Nonprofit Corporation Law.
- 7.4.4 Resignations
Except as provided in this Section 7.4.4, any Director may resign by giving written notice to the President, the Secretary, or the Board. Such a written resignation will be effective on the later of (i) the date it is delivered or (ii) the time specified in the written notice that the resignation is to become effective. No Director may resign if the Foundation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the California Attorney General (the “Attorney General”).
- 7.4.5 Election to Fill Vacancies
If there is a vacancy on the Board, including a vacancy created by the removal of a Director, the Member may fill such vacancy by electing an additional director as soon as practicable after the vacancy occurs. If the number of Directors then in office is less than a quorum, additional directors may be elected to fill such vacancies by (i) the unanimous written consent of the Directors then in office, (ii) the affirmative vote of a majority of the Directors in office at a meeting held according to notice or waivers complying with section 5211 of the California Nonprofit Corporation Law, or (iii) a sole remaining Director.
- Section 7.5 Regular Meetings
Each year, the Board shall hold at least one meeting, at a time and place fixed by the Board, for the purposes of election of Directors, appointment of Officers, review and approval of the corporate budget and transaction of other business. This meeting is sometimes referred to in these Bylaws as

the “annual meeting.” Other regular meetings of the Board may be held at such time and place as the Board may fix from time to time by resolution.

Section 7.6 Special Meetings

Special meetings of the Board for any purpose may be called at any time by the President, , or the Secretary, or any two Directors.

Section 7.7 Notice of Meetings

7.7.1 Manner of Giving

Except when the time and place of a regular meeting is set by the Board by resolution in advance (as permitted by Section 7.5), notice of the time and place of all regular and special meetings shall be given to each Director by one of the following methods:

- (a) Personal delivery of oral or written notice;
- (b) First-class mail, postage paid;
- (c) Telephone, including a voice messaging system or other system or technology designed to record and communicate messages; or
- (d) Facsimile, electronic mail (“e-mail”) or other means of electronic transmission if the recipient has consented to accept notices in this manner.

All such notices shall be given or sent to the Director’s address, phone number, facsimile number or e-mail address as shown on the records of the Foundation. Any oral notice given personally or by telephone may be communicated directly to the Director or to a person who would reasonably be expected to promptly communicate such notice to the Director. Notice of regular meetings may be given in the form of a calendar or schedule that sets forth the date, time and place of more than one regular meeting.

7.7.2 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, voice messaging system or other system or technology designed to record and communicate messages, facsimile, e-mail or other electronic transmission shall be delivered at least 48 hours before the time set for the meeting.

7.7.3 Notice Contents

The notice shall state the time and place for the meeting, except that if the meeting is scheduled to be held at the principal office of the Foundation, the notice shall be valid even if no place is specified. The notice need not specify the purpose of the meeting unless required to elsewhere in these Bylaws.

Section 7.8 Place of Board Meetings

Regular and special meetings of the Board may be held at any place within or outside the state that has been designated in the notice of the meeting, or, if not stated in the notice or, if there is no notice, designated by resolution of the Board. If the place of a regular or special meeting is not designated in the notice or fixed by a resolution of the Board, it shall be held at the principal office of the Foundation.

7.8.1 Meetings by Telephone or Similar Communication Equipment

Any meeting may be held by conference telephone or other communications equipment permitted by California Nonprofit Corporation Law, as long as all Directors participating in the meeting can communicate with one another and all other requirements of California Nonprofit Corporation Law are satisfied. All such Directors shall be deemed to be present in person at such meeting.

Section 7.9 Quorum and Action of the Board

7.9.1 Quorum

A majority of Directors then in office (but no fewer than two Directors or one-fifth of the authorized number in Section 7.1.1, whichever is greater) shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 7.11.

7.9.2 Minimum Vote Requirements for Valid Board Action

Every act taken or decision made by a vote of the majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by California Nonprofit Corporation Law, the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 7.10 Waiver of Notice

The transactions of any meeting of the Board, 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 (i) a quorum is present, and (ii) either before or after the meeting, each of the Directors who is not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent does not need to 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. Also, notice of a meeting is not required to be given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice. Directors can protest the lack of notice only by presenting a written protest to the Secretary either in person, by first-class mail addressed to the Secretary at the principal office of the Foundation as contained on the records of the Foundation as of the date of the protest, or by facsimile addressed to the facsimile number of the Foundation as contained on the records of the Foundation as of the date of the protest.

Section 7.11 Adjournment

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

Section 7.12 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 not present at the time of the adjournment.

Section 7.13 Conduct of Meetings

Meetings of the Board shall be presided over by the President or, if the President is absent, by the Secretary or, in the absence of each of these persons, by a chairperson of the meeting, chosen by a majority of the Directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by rules of procedure as may be determined by the Board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles, or with any provisions of law applicable to the Foundation.

Section 7.14 Action Without Meeting

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to the action. For the purposes of this Section 7.14 only, "all members of the Board" shall not include any "interested Director" as defined in section 5233 of the California Nonprofit Corporation Law. Such written consent shall

have the same force and effect as a unanimous vote of the Board taken at a meeting. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Written consent may be transmitted by first-class mail, messenger, courier, facsimile, e-mail or any other reasonable method satisfactory to the Secretary or the President.

Section 7.15 Fees and Compensation of Directors

The Foundation may provide compensation to Directors for services rendered to the Foundation as Directors as approved from time to time by the Member and may be reimbursed for expenses incurred in the performance of their duties to the Foundation, in reasonable amounts as approved by the Board.

Also, Directors may be compensated for rendering services to the Foundation in a capacity other than as Directors, unless such compensation is reasonable and further provided that not more than 49% of the persons serving as Directors may be “interested persons” which, for purposes of this Section 7.15 only, means:

- (a) any person currently being compensated by the Foundation for services rendered to it within the previous 12 months, whether as a full or part-time Officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director 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 7.16 Non-Liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Foundation.

ARTICLE 8 COMMITTEES

Section 8.1 Committees of Directors

The Board may, by resolution adopted by a majority of the Directors then in office, create one or more Board Committees (“Committees”), including an executive committee, each consisting of two or more Directors, to serve at the discretion of the Board. Any Committee, to the extent provided in the resolution of the Board, may be given the authority of the Board except that no Committee may:

- (a) approve any action for which the California Nonprofit Corporation Law also requires approval of the members or approval of a majority of all members;
- (b) fill vacancies on the Board or in any Committee which has the authority of the Board;
- (c) fix compensation of the Directors for serving on the Board or on any Committee;
- (d) amend or repeal Bylaws or adopt new Bylaws;
- (e) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) appoint any other Committees or the members of these Committees;
- (g) expend corporate funds to support a nominee for Director after more persons have been nominated than can be elected; or

- (h) approve any transaction (i) between the Foundation and one or more of its Directors or (ii) between the Foundation and any entity in which one or more of its Directors have a material financial interest.

Section 8.2 Meetings and Action of Board Committees

Meetings and action of Committees shall be governed by, and held and taken in accordance with, the provisions of Article 7 concerning meetings of Directors, with such changes in the context of Article 7 as are necessary to substitute the Committee and its members for the Board and its members, except that the time for regular meetings of Committees may be determined by resolution of the Board, and special meetings of Committees may also be called by resolution of the Board. Minutes shall be kept of each meeting of any Committee and shall be filed with the corporate records. The Committee shall report to the Board from time to time as the Board may require. The Board may adopt rules for the governance of any Committee not inconsistent with the provisions by these Bylaws. In the absence of rules adopted by the Board, the Committee may adopt such rules.

Section 8.3 Quorum Rules for Board Committees

A majority of the Committee members shall constitute a quorum for the transaction of Committee business, except to adjourn. A majority of the Committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Every act taken or decision made by a majority of the Committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the Committee, subject to the provisions of the California Nonprofit Corporation Law relating to actions that require a majority vote of the entire Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Committee members, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 8.4 Revocation of Delegated Authority

The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Committee, increase or decrease (but not below two) the number of members of a Committee, and fill vacancies in a Committee from the members of the Board.

Section 8.5 Nonprofit Integrity Act/Audit Committee

In any fiscal year in which the Foundation receives or accrues gross revenues of two million dollars or more (excluding grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received), the Board shall (i) prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant (“CPA”) in conformity with generally accepted auditing standards; (ii) make the audit available to the Attorney General and to the public on the same basis that the Internal Revenue Service Form 990 is required to be made available; and (iii) appoint an Audit Committee.

The Audit Committee shall not include paid or unpaid staff or employees of the Foundation, including, if staff members or employees, the President or chief executive officer or the Treasurer or chief financial officer (if any). If there is a finance committee, members of the finance committee shall constitute less than 50% of the membership of the Audit Committee and the chairperson of the Audit Committee shall not be a member of the finance committee. Subject to the supervision of the Board, the Audit Committee shall:

- (a) make recommendations to the Board on the hiring and firing of the CPA;
- (b) confer with the CPA to satisfy Audit Committee members that the financial affairs of the Foundation are in order;
- (c) approve non-audit services by the CPA and ensure such services conform to standards in the Yellow Book issued by the United States Comptroller General; and

(d) if requested by the Board, negotiate the CPA's compensation on behalf of the Board.

Section 8.6 Advisory Committees

The Board may create one or more advisory committees to serve at the pleasure of the Board. Appointments to such advisory committees need not, but may, be Directors. The Board shall appoint and discharge advisory committee members. All actions and recommendations of an advisory committee shall require ratification by the Board before being given effect.

ARTICLE 9 OFFICERS

Section 9.1 Officers

The officers of the Foundation ("Officers") shall be a President, a Secretary, a Treasurer or chief financial officer, and Immediate Past President who shall be selected from among the Directors or Past Presidents by the Member. The Board shall have the power to designate additional Officers, with such duties, powers, titles and privileges as the Board may fix. Any number of offices may be held by the same person, except that the Secretary, the Treasurer and the chief financial officer (if any) may not serve concurrently as the President.

Section 9.2 Resignation of Officers

Any Officer may resign at any time by giving written notice to the Foundation. 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 Foundation under any contract to which the Officer is a party.

Section 9.3 Vacancies in Offices

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur and not on an annual basis. In the event of a vacancy in any office such vacancy shall be filled temporarily by appointment by the President, or if none, by the Secretary, and the appointee shall remain in office for 60 days, or until the next regular meeting of the Board, whichever comes first. Thereafter, the position can be filled only by action of the Board.

Section 9.4 Responsibilities of Officers

9.4.1 President

The president of the Foundation (the "President") shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws. If no other person is designated as the chief executive, the President shall, in addition, be the chief executive and shall have the powers and duties prescribed in Section 9.5.

9.4.2 Secretary

The secretary of the Foundation (the "Secretary") shall attend to the following:

9.4.2.1 Bylaws

The Secretary shall certify and keep or cause to be kept at the principal office of the Foundation the original or a copy of these Bylaws as amended to date.

9.4.2.2 Minute Book

The Secretary shall keep or cause to be kept a minute book as described in Section 12.1.

- 9.4.2.3 Notices
The Secretary shall give, or cause to be given, notice of all meetings of the Board in accordance with these Bylaws.
- 9.4.2.4 Corporate Records
Upon request, the Secretary shall exhibit or cause to be exhibited at all reasonable times to any Director, or to his or her agent or attorney, these Bylaws and the minute book.
- 9.4.2.5 Corporate Seal and Other Duties
The Secretary shall keep or cause to be kept the seal of the Foundation, if any, in safe custody, and shall have such other powers and perform such other duties incident to the office of Secretary as may be prescribed by the Board or these Bylaws.
- 9.4.3 Treasurer
The treasurer of the Foundation (the “Treasurer”) shall attend to the following:
- 9.4.3.1 Books of Account
The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and transactions of the Foundation, 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.
- 9.4.3.2 Financial Reports
The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- 9.4.3.3 Deposit and Disbursement of Money and Valuables
The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the Board; shall disburse, or cause to be disbursed, the funds of the Foundation as may be ordered by the Board; shall render, or cause to be rendered to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Foundation; and shall have other powers and perform such other duties incident to the office of Treasurer as may be prescribed by the Board or these Bylaws.
- 9.4.4 Immediate Past President
The Immediate Past President of the Foundation shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the President.
- 9.4.5 Additional Officers
The Board may empower the President, or chief executive, to appoint or remove such other Officers as the business of the Foundation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board from time to time may determine.
- Section 9.5 Chief Executive
Subject to such supervisory powers as may be given by the Board to the President, the Board may hire a chief executive who shall be the general manager of the Foundation, and subject to the control of the Board, shall supervise, direct and control the Foundation’s day-to-day activities, business and affairs. The chief executive (who may be referred to as the “chief executive officer” or “executive director” shall be empowered to hire, supervise and fire all of the employees of the Foundation,

under such terms and having such job responsibilities as the chief executive shall determine in his or her sole discretion, subject to the rights, if any, of the employee under any contract of employment. The chief executive may delegate his or her responsibilities and powers subject to the control of the Board. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws. Additionally, the Board may, by resolution, appoint the chief executive as an Officer.

Section 9.6 Compensation of Officers

9.6.1 Salaries Fixed by Board

The salaries of Officers, if any, shall be fixed from time to time by resolution of the Board or by the person or Committee to whom the Board has delegated this function, and no Officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director, provided, however, that such compensation paid to a Director for serving as an Officer shall only be allowed if permitted under the provisions of Section 7.15. In all cases, any salaries received by Officers shall be reasonable and given in return for services actually rendered for the Foundation which relate to the performance of the public benefit purposes of the Foundation. No salaried Officer serving as a Director shall be permitted to vote on his or her own compensation as an Officer.

9.6.2 Fairness of Compensation

The Board shall periodically review the fairness of compensation, including benefits, paid to every person, regardless of title, with powers, duties, or responsibilities comparable to the president, chief executive officer, treasurer, or chief financial officer (i) once such person is hired, (ii) upon any extension or renewal of such person's term of employment, and (iii) when such person's compensation is modified (unless all employees are subject to the same general modification of compensation).

ARTICLE 10 TRANSACTIONS BETWEEN FOUNDATION AND DIRECTORS OR OFFICERS

Section 10.1 Transactions with Directors and Officers

10.1.1 Interested Party Transactions

Except as described in Section 10.1.2, the Foundation shall not be a party to any transaction:

- (a) in which one or more of its Directors or Officers has a material financial interest, or
- (b) with any corporation, firm, association, or other entity in which one or more Directors or Officers has a material financial interest.

10.1.2 Requirements to Authorize Interested Party Transactions

The Foundation shall not be a party to any transaction described in 10.1.1 unless:

- (a) the Foundation enters into the transaction for its own benefit;
- (b) the transaction is fair and reasonable to the Foundation at the time the transaction is entered into;
- (c) prior to consummating the transaction or any part thereof, the Board authorizes or approves the transaction in good faith, by a vote of a majority of Directors then in office (without counting the vote of the interested Directors), and with knowledge of the material facts concerning the transaction and the interested Director's or Officer's financial interest in the transaction;

- (d) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation that the Foundation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
- (e) the minutes of the Board meeting at which such action was taken reflect that the Board considered and made the findings described in paragraphs (a) through (d) of this Section 10.1.2.

10.1.3 Material Financial Interest

A Director or Officer shall not be deemed to have a “material financial interest” in a transaction:

- (a) that fixes the compensation of a Director as a Director or Officer;
- (b) if the contract or transaction is part of a public or charitable program of the Foundation and it (1) is approved or authorized by the Foundation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Directors or their families only because they are in the class of persons intended to be benefited by the program; or
- (c) where the interested Director has no actual knowledge of the transaction and it does not exceed the lesser of one percent of the gross receipts of the Foundation for the preceding year or \$100,000.

Section 10.2 Loans to Directors and Officers

The Foundation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General; except that, however, the Foundation may advance money to a Director or Officer for expenses reasonably anticipated to be incurred in the performance of duties of such Director or Officer, if in the absence of such advance, such Director or Officer would be entitled to be reimbursed for such expenses by the Foundation.

The limitation above does not apply if (i) the loan is necessary, in the judgment of the Board, to provide financing for the purchase of the principal residence of an Officer in order to secure the services of (or continued services of) the Officer and the loan is secured by real property located in California; or (ii) the loan is for the payment of premiums on a life insurance policy on the life of a Director or Officer and repayment to the Foundation of the amount paid by it is secured by the proceeds of the policy and its cash surrender value.

Section 10.3 Interlocking Directorates

No contract or other transaction between the Foundation and any corporation, firm or association of which one or more Directors are directors is either void or voidable because such Director(s) are present at the Board or Committee meeting that authorizes, approves or ratifies the contract or transaction, if (i) the material facts as to the transaction and as to such Director’s other directorship are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director(s) (subject to the quorum provisions of Article 7); or if (ii) the contract or transaction is just and reasonable as to the Foundation at the time it is authorized, approved or ratified.

Section 10.4 Duty of Loyalty; Construction with Article 11

Nothing in this Article 10 shall be construed to derogate in any way from the absolute duty of loyalty that every Director and Officer owes to the Foundation. Furthermore, nothing in this Article 10 shall be construed to override or amend the provisions of Article 11. All conflicts between the two articles shall be resolved in favor of Article 11.

ARTICLE 11 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 11.1 Definitions

For purpose of this Article 11,

11.1.1 “Agent”

means any person who is or was a Director, Officer, employee, or other agent of the Foundation, or is or was serving at the request of the Foundation 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 that was a predecessor corporation of the Foundation or of another enterprise at the request of the predecessor corporation;

11.1.2 “Proceeding”

means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

11.1.3 “Expenses”

includes, without limitation, all attorneys’ fees, costs, and any other expenses reasonably incurred in the defense of any claims or proceedings against an Agent by reason of his or her position or relationship as Agent and all attorneys’ fees, costs, and other expenses reasonably incurred in establishing a right to indemnification under this Article 11.

Section 11.2 Applicability of Indemnification Provisions

11.2.1 Successful Defense by Agent

To the extent that an Agent has been successful on the merits in the defense of any proceeding referred to in this Article 11, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the claim.

11.2.2 Settlement or Unsuccessful Defense by Agent

If an Agent either settles any proceeding referred to in this Article 11, or any claim, issue, or matter therein, or sustains a judgment rendered against him, then the provisions of Section 11.3 through Section 11.6 shall determine whether the Agent is entitled to indemnification.

Section 11.3 Actions Brought by Persons Other than the Foundation

This Section 11.3 applies to any proceeding other than an action “by or on behalf of the Foundation” as defined in Section 11.4. Such proceedings that are not brought by or on behalf of the Foundation are referred to in this Section 11.3 as “Third Party proceedings.”

11.3.1 Scope of Indemnification in Third Party Proceedings

Subject to the required findings to be made pursuant to Section 11.3.2, the Foundation shall indemnify any person who was or is a party, or is threatened to be made a party, to any Third Party proceeding, by reason of the fact that such person is or was an Agent, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

11.3.2 Required Standard of Conduct for Indemnification in Third Party Proceedings

Any indemnification granted to an Agent in Section 11.2 above is conditioned on the following. The Board must determine, in the manner provided in Section 11.5, that the Agent seeking reimbursement acted in good faith, in a manner he or she reasonably believed to be in the best interest of the Foundation, and, in the case of a criminal proceeding, he or she must have had no reasonable cause to believe that his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner he or she

reasonably believed to be in the best interest of the Foundation or that he or she had reasonable cause to believe that his or her conduct was unlawful.

Section 11.4 Action Brought By or On Behalf Of the Foundation

This Section 11.4 applies to any proceeding brought (i) by or in the right of the Foundation, or (ii) by an Officer, Director or person granted relator status by the Attorney General, or by the Attorney General, on the ground that the defendant Director was or is engaging in self-dealing within the meaning of section 5233 of the California Nonprofit Corporation Law, or (iii) by the Attorney General or person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust (any such proceeding is referred to in these Bylaws as a proceeding “by or on behalf of the Foundation”).

11.4.1 Scope of Indemnification in Proceeding By or On Behalf Of the Foundation

Subject to the required findings to be made pursuant to Section 11.4.2, and except as provided in Sections 11.4.3 and 11.4.4, the Foundation may indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding by or on behalf of the Foundation, by reason of the fact that such person is or was an Agent, for all expenses actually and reasonably incurred in connection with the defense or settlement of such action.

11.4.2 Required Standard of Conduct for Indemnification in Proceeding By or On Behalf Of the Foundation

Any indemnification granted to an Agent in Section 11.2 is conditioned on the following. The Board must determine, in the manner provided in Section 11.5, that the Agent seeking reimbursement acted in good faith, in a manner he or she believed to be in the best interest of the Foundation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

11.4.3 Claims Settled Out of Court

If any Agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the Foundation, with or without court approval, the Agent shall receive no indemnification for amounts paid pursuant to the terms of the settlement or other disposition. Also, in cases settled or otherwise disposed of without court approval, the Agent shall receive no indemnification for expenses reasonably incurred in defending against the proceeding, unless the proceeding is settled with the approval of the Attorney General.

11.4.4 Claims and Suits Awarded Against Agent

If any Agent is adjudged to be liable to the Foundation in the performance of the Agent’s duty to the Foundation, the Agent shall receive no indemnification for amounts paid pursuant to the judgment, and any indemnification of such Agent under Section 11.2 for expenses actually and reasonably incurred in connection with the defense of that action shall be made only if both of the following conditions are met:

- (a) The determination of good faith conduct required by Section 11.4.2 must be made in the manner provided for in Section 11.5; and
- (b) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent is fairly and reasonably entitled to indemnity for the expenses incurred. If the Agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

Section 11.5 Determination of Agent’s Good Faith Conduct

The indemnification granted to an Agent in Section 11.3 and Section 11.4 is conditioned on the findings required by those Sections being made by:

- (a) the Board by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or

- (b) the court in which the proceeding is or was pending. Such determination may be made on application brought by the Foundation or the Agent or the attorney or other person rendering a defense to the Agent, whether or not the application by the Agent, attorney, or other person is opposed by the Foundation.

Section 11.6 Limitations

No indemnification or advance shall be made under this Article 11, except as provided in Section 11.2.1 or Section 11.5(b), in any circumstances when it appears:

- (a) that the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, as amended, 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 the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 11.7 Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by the Foundation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it is determined ultimately that the Agent is entitled to be indemnified as authorized in this Article 11.

Section 11.8 Contractual Rights of Non-Directors and Non-Officers

Nothing contained in this Article 11 shall affect any right to indemnification to which persons other than Directors and Officers of the Foundation, or any of its subsidiaries, may be entitled by contract or otherwise.

Section 11.9 Insurance

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Agent, as defined in this Article 11, against any liability asserted against or incurred by any Agent in such capacity or arising out of the Agent's status as such, whether or not the Foundation would have the power to indemnify the Agent against the liability under the provisions of this Article 11.

ARTICLE 12 CORPORATE RECORDS, REPORTS AND SEAL

Section 12.1 Minute Book

The Foundation shall keep a minute book in written form which shall contain a record of all actions by the Board or any committee including (i) the time, date and place of each meeting; (ii) whether a meeting is regular or special and, if special, how called; (iii) the manner of giving notice of each meeting and a copy thereof; (iv) the names of those present at each meeting of the Board or any Committee thereof; (v) the minutes of all meetings; (vi) any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof; (vii) all written consents for action without a meeting; (viii) all protests concerning lack of notice; and (ix) formal dissents from Board actions.

Section 12.2 Books and Records of Account

The Foundation shall keep adequate and correct books and records of account. "Correct books and records" includes, but is not necessarily limited to: accounts of properties and transactions, its assets, liabilities, receipts, disbursements, gains, and losses.

- Section 12.3 Articles of Incorporation and Bylaws
The Foundation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.
- Section 12.4 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns
The Foundation shall at all times keep at its principal office a copy of its federal tax exemption application and, for three years from their date of filing, its annual information returns. These documents shall be open to public inspection and copying to the extent required by the Code.
- Section 12.5 Annual Report; Statement of Certain Transactions
The Board shall cause an annual report to be sent to each Director within 120 days after the close of the Foundation's fiscal year containing the following information:
- (a) The assets and liabilities of the Foundation 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 the Foundation, both unrestricted and restricted to particular purposes, for this fiscal year;
 - (d) The expenses or disbursements of the Foundation for both general and restricted purposes during the fiscal year;
 - (e) A statement of any transaction (i) to which the Foundation, its parent, or its subsidiary was a party, (ii) which involved more than \$50,000 or which was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (iii) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a financial interest):
 - (1) Any Director or Officer of the Foundation, its parent, or its subsidiary;
 - (2) Any holder of more than 10% of the voting power of the Foundation, its parent, or its subsidiary.
- The statement shall include: (i) a brief description of the transaction; (ii) the names of interested persons involved; (iii) their relationship to the Foundation; (iv) the nature of their interest in the transaction, and; (v) when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.
- (f) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director.
- Section 12.6 Directors' Rights of Inspection
Every Director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, and physical properties of the Foundation and each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.
- Section 12.7 Corporate Seal
The corporate seal, if any, shall be in such form as may be approved from time to time by the Board. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

ARTICLE 13 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 13.1 Execution of Instruments

The Board, except as otherwise provided in these Bylaws, may by resolution authorize any Officer or agent of the Foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, 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 the Foundation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 13.2 Checks and Notes

Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Foundation shall be signed by the Treasurer and countersigned by the President.

Section 13.3 Deposits

All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board may select.

Section 13.4 Gifts

The Board may accept on behalf of the Foundation any contribution, gift, bequest, or devise for the charitable or public purposes of the Foundation.

ARTICLE 14 MISCELLANEOUS

Section 14.1 Construction and Definitions.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions of California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Foundation and a natural person. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced.

Section 14.2 Amendments.

These bylaws may be amended or repealed only by the Member.

- (a) Where any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise is required by law, such provision may not be altered, amended or repealed except by the vote of such greater number.
- (b) No amendment may extend the term of a Director beyond that for which such Director was elected.
- (c) If bylaws are adopted, amended or repealed at a meeting of the Board, such action is authorized only at a duly called and held meeting for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefor, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.

Section 14.3 Procedure and Order.

Roberts Rules of Order may be referenced for questions of parliamentary procedure or order to facilitate the efficient conduct of business.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of SMSNA Foundation, a California nonprofit public benefit corporation; that these Bylaws, consisting of 17 pages, are the Bylaws of this Corporation as adopted by the Board of Directors on October 20, 2021; and that these Bylaws have not been amended or modified since that date.

Executed on October 26, 2022 at Burnsville, MN.

A handwritten signature in black ink, appearing to read 'GAB', with a long horizontal line extending from the end of the signature.

Gregory A. Broderick, M.D. _____