

**BY-LAWS  
OF  
CALIFORNIA DIALYSIS COUNCIL**  
Ratified April 25, 2008

I

PRINCIPAL OFFICE

The principal office for the transaction of the business of the corporation is fixed and located in Sacramento, California. The Board of Directors may at any time, or from time to time, change the location of the principal office from one location to another in said state.

II

MEMBERSHIP

Section 1. Type of Members. There shall be two types of members of this corporation. The first type of members shall be voting members and the second types are supporting members and shall have no vote. The designation of and qualifications for such type shall be as follows:

- (a) Voting members shall consist of one of the following:
1. Facility Voting Member: Not more than two representatives (the medical director, or other nephrologist, and renal administrator, management personnel or their respective designee) of any provider of End Stage Renal Disease services in the State of California. A facility (provider) shall be defined as any entity licensed, where applicable, by the State of California, Department of Public Health, Licensing and Certification Division and approved by the Centers for Medicare and Medicaid Services to render chronic dialysis. Each facility member shall designate not more than two representatives (the Medical Director and Renal Manager, or their respective designees defined above) to act on behalf of the facility member. At any given meeting, only one such representative shall serve as designated representative.
  2. Non-facility Provider Voting Member: Not more than one representative of any non-facility provider of chronic dialysis administrative services offered in the state of California, such representative to have at a minimum five (5) years of recent appropriate dialysis management experience as renal administrator, renal clinician, or other renal patient care services professional. The qualifications for such members shall be reviewed and approved by the Board of Directors.
  3. Patient Support Provider Voting Member: Not more than one representative of any patient support services organization. The qualifications for such members shall be reviewed and approved by the Board of Directors.
- (b) The second type shall be known as supporting members for any individual or organization that is supportive of the purposes and goals of the California Dialysis Council. Supporting members shall not be members within the meaning of section 5056 of the California Corporation Code. Such members shall have no right to assets of the corporation on dissolution or otherwise.

Section 2. Qualification for Voting Membership. Any provider of end state renal disease services as defined in Section 1 (a). The provider shall be current in their dues payment.

At the invitation of the Board, the Executive Director of the corporation may be invited to serve on the Board as a Voting Member until the end of the corporation's fiscal year, at which time the appointment may be renewed. The appointment to Voting Member must be renewed annually and may be rescinded by a Board at its discretion.

Section 3. Election of Members. Members shall be accepted by a majority vote of the Board.

Section 4. Voting Rights of Members. Each facility member of this corporation shall be entitled to one vote on any matter submitted to a vote of the members. Each facility shall designate one individual to serve as voting member.

Section 5. Resignation of Membership. Any member may resign by submitting a written resignation to the Secretary of the Corporation and the resignation shall be accepted at the next meeting of the Board of Directors and shall be effective as of the date of resignation.

Section 6. Expulsion of Members. Any member of the corporation may be suspended or expelled by the affirmative vote of two-thirds of the Board of Directors for conduct which the Board of Directors, after peer review and for cause, shall find to be adverse to the best interest of the corporation. Any such expulsion shall be conducted in accordance with applicable provisions of state law.

Section 7. Reinstatement of Membership. Upon a written request signed by a resigned, expelled, or suspended member and submitted to the Secretary of the corporation, the Board of Directors may reinstate such member by an affirmative vote of two-thirds of the Board of Directors, and reinstatement shall be in accordance with such terms, if any, which the Board of Directors may deem appropriate.

Section 8. Transfer of Membership. Membership in the corporation shall not be assigned or otherwise transferred.

Section 9. Annual Business Meeting. The Annual Business Meeting of the members of this corporation shall be held at least once each year at a site and time to be determined by a Resolution of the Board of Directors. Written notice of the time and place of the Annual Business Meeting shall be delivered personally to each member, or sent to each member by mail, electronic mail, or other form of written communication, where applicable charges prepaid, addressed to it at its address as it is shown on the records of the corporation, or if it is not shown on the records, or is not readily ascertainable, at the place where the meetings of the voting members are regularly held. Any notice shall be mailed or delivered at least thirty (30) days before the date of the meeting.

Section 10. Special Meetings. Special meetings of the members of the corporation for any purpose or purposes may be called at any time by the President of the corporation, or by any three (3) directors.

Written notice of the time and place of special meetings of the members shall be given in the same manner as for Annual Business Meetings of the members.

Section 11. Waiver of Notice. The transactions of any meeting of the members of this corporation, however called and noticed, shall be as valid as though transacted at a meeting held after regular call and notice, if a quorum is present, and if, either before or after the meeting, each of the voting members not present signs a written Waiver or Notice, or a Consent to Holding this meeting, or an approval of the Minutes of the meeting. All the waivers, consents or approvals shall be filed with the corporate records or be made a part of the Minutes of the meeting.

Section 12. Quorum -- Annual Business Meeting. Approval by greater than 50% of attending designated representatives of facility members shall constitute approval for the transaction of business.

Section 13. Liabilities of Members. No person or organization who is now, or who later becomes, a member of the corporation shall be personally liable as such to its creditors for any indebtedness or liability.

### III

#### DIRECTORS

Section 1. Number of Qualifications. The corporation shall have not more than eighteen (18) Directors, which shall include five (5) officers and ten (10) facility representative directors, the Executive Director, and no more than two (2) directors-at-large until changed by an Amendment to these By-Laws by the members. Each facility representative Director of the corporation shall be a designated representative of a facility member of the corporation, and if a facility member ceases to be a member of the corporation, its representative shall also cease to be a Director of the corporation.

Directors-At-Large: Two (2) directors-at-large shall be selected from non-facility voting membership and a patient support provider membership.

Section 2. Election and Term of Office. Approximately one-third of the directors shall be elected for terms of office of three (3) years each Annual Business Meeting of members or at any special meeting of the members held in lieu of the Annual Business Meeting.

All Directors shall hold office until their respective successors are elected, except in the case of the resignation, death, disability, or removal of a Director.

Directors shall be selected so that the Board is generally representative of all types of chronic dialysis providers and geographical diversity.

Only one representative of a facility member may serve on the Board at any time.

The Board of Directors shall, at least sixty (60) days before each Annual Business Meeting of the members, or special meeting held in lieu of the Annual Business Meeting, appoint from the voting members of the corporation a committee of at least three (3) members who shall, at least thirty (30) days before each Annual Business Meeting, or special meeting held in lieu of the Annual Business Meeting, submit the names of persons nominated by the committee to fill the positions of those Directors whose term in office expire. The persons nominated may include any Directors or Officers who have held or who currently hold office. Any voting member may also place in nomination the

name or names of others qualified to hold the office of Directors by written instrument duly signed by such person. At least thirty (30) days before any Annual Business Meeting or special meeting held in lieu of the Annual Business Meeting, all nominations either by the committee, or by such person, shall be delivered to the Secretary of the corporation who shall cause a list containing the names of all persons nominated to be sent to each member of the corporation at least ten (10) days before the meeting. The names of those persons nominated by the committee shall be indicated by an asterisk on the list.

Section 3. Removal of Directors. A Director may be removed, with or without cause, at any time by a vote of a majority of the voting members. A Director may also be removed, by a vote of a majority of the other directors, for cause (including but not limited to the following: declared of unsound mind by a final order of a court or convicted of a felony).

Section 4. Vacancy. A vacancy on the Board of Directors caused by death, resignation, disability removal of a Director, or any other reason shall be filled by the majority vote of the Board. A successor director so elected shall serve the unexpired portion of the term being filled.

Section 5. Meetings of the Board of Directors. The presence of 30% plus one Director then in office shall constitute a quorum for the transaction of business.

In conjunction with each Annual Business Meeting of members, or after any special meeting held in lieu of the Annual Business Meeting, the Board of Directors shall hold a meeting for the purpose of organization, election of Officers and transaction of other business. No notice of this meeting need be given.

Regular meetings of the Board of Directors shall be held at any place, within or without the State that has been designated from time to time by Resolution of the Board of Directors or by written consent of all members of the Board.

Special meetings of the Board may be held at a place designated by the Board. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President, or if he/she is unable or refuses to act, by any three (3) Directors. Notice of the time and place of all meetings of the Board of Directors except the meeting in conjunction with the Annual Business Meeting of members, or the special meeting of members held in lieu of the Annual Business Meeting, shall be given personally to the Directors or sent to each Director by mail, electronic mail, or other form of written communication, where applicable charges prepaid, addressed to him/her at his/her address as it is shown on the records of the corporation. If the notice is mailed, it shall be deposited in the United States mail in the place in which the administrative office of the corporation is located at least seventy-two (72) hours before the time of the meeting. If the notice is delivered personally or by electronic mail to each Director, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such special meetings may alternatively be conducted electronically, e.g. by conference call.

The possibility of a quorum for the Special Meeting of the Board shall be ascertained twenty-four (24) hours in advance of the scheduled Board of Director's meeting. In the absence of a quorum, the meeting shall be canceled.

Section 6. Action Without A Meeting. Any action by the Board of Directors may be taken without a meeting if all members of the Board individually or collectively consent in writing to this action.

Such written consent or consents shall be filed with the Minutes of the proceedings of the Board.

Section 7. Powers of the Board. Subject to the limitations of the Articles of Incorporation, other sections of the By-Laws and the General Non-Profit Mutual Benefit Corporation Law of California, all corporate powers shall be exercised by or under the direction of, and the business and affairs of the corporation shall be controlled by, the Board of Directors. Without prejudice to these general powers, but subject to the same limitations, the Board of Directors shall have the following powers:

- (a) To prescribe powers and duties for Officers, agents and employees as may not be inconsistent with law, the Articles of Incorporation or these By-Laws, to fix their compensation and to require from them security for faithful service;
- (b) To conduct, manage and control the affairs and business of the corporation, and to make such rules and regulations as are not inconsistent with law, the Articles of Incorporation or the By-Laws, as they deem best;
- (c) To borrow and incur indebtedness for the purposes of the corporation and, for that purpose, to cause to be executed and delivered, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation and other evidence of debt and securities for them;
- (d) To manage in the manner they deem best all funds and property, real and personal, received, acquired or earned by the corporation and to distribute or dispense them.

Section 8. Compensation. The Directors shall receive no compensation for their services as Directors, but by a Resolution of the Board of Directors they may be reimbursed for any reasonable expenses they have incurred for the corporation. Nothing herein shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation and/or reimbursement of expenses.

#### IV

### OFFICERS

Section 1. Officers. The Officers of this corporation shall be a President, a Vice President who shall be President Elect, a Secretary and a Treasurer, each of whom must be chosen from the membership of the Board of Directors of the corporation, and a Past President. The corporation may also have such other Officers, who need not be Directors, as may be appointed by the Board of Directors. A person may not hold more than one office.

Section 2. Election. Officers, with the exception of Past President, shall be chosen annually by the members of the Board at the first meeting following the election of said Board. Each Officer shall hold his/her office until he/she shall resign, be removed by the Board of Directors, or otherwise be disqualified to serve, or until a successor shall be elected and qualified.

Section 3. Vacancies, Removal, and Resignation. Any Officer may resign, or may be removed with cause, by the Board of Directors at any time. A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4. President. The President shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall have general supervision, direction and control of the affairs of the corporation. He/She shall preside at all meetings of members and the Board of Directors. At the Annual Business Meeting of members he/she shall make a report of the general business of the corporation during the previous year. The President shall nominate all standing committees in accordance with these By-Laws, subject to the approval of the Board of Directors of the corporation and shall be an ex-officio (with the right to vote) member of all committees.

Section 5. Vice President. In the absence of the President or in the event of his/her inability, or refusal to act, the Vice President shall perform all the duties of the President and in such action shall have all the powers of, and be subject to the restrictions on, the President. The Vice President shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors. The Vice President shall succeed to the office of President at such time as the President's term of office expires or the President resigns or is removed.

Section 6. Secretary. The Secretary shall cause to be kept a full and complete record of all proceedings of the Board of Directors and of the members, shall make service of such notices as may be necessary or proper, and shall supervise the keeping of the records of the corporation.

The Secretary shall cause to be maintained a membership list for the corporation showing the name and address of each member, shall conduct the official correspondence of the corporation, and shall discharge other duties of the office as may be prescribed by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have general charge of the financial records and accounts of the corporation and shall cause to be kept and maintained adequate and correct books of accounts showing the receipts and disbursements of the corporation and an account of its cash and other assets. It shall be the responsibility of the Treasurer to issue, or cause to be issued, to each member of the corporation a statement of dues and other indebtedness owned by the member in accordance with these By-Laws. The Treasurer shall cause to be deposited all monies of the corporation with such depositaries as are designed by the Board of Directors, and shall disburse the funds of the corporation as may be ordered by the Board of Directors. The Treasurer shall render to the President or Board of Directors, on request, statements of the financial condition of the corporation, provided that statements shall be rendered at least quarterly, and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 8. Compensation. The Officers and Board members of the corporation shall not receive compensation for their services as Officers. However, the Board of Directors may reimburse an Officer or Board member for expenses incurred in the performance of his duty. An Officer shall not be precluded from serving the corporation in any other capacity and receiving compensation for such services.

Section 9. Signatures to Checks. All checks of the corporation shall be signed by individuals who occupy the office of President, Vice-President, Secretary, or Treasurer, or by such officer or officers, agent or agents, of the corporation as determined by resolution of the Board of Directors or the Executive Committee.

## V

### COMMITTEES

Section 1. Committees. Except as otherwise provided by these By-Laws, the Board of Directors may, by resolutions passed by a majority of the members then in office, appoint executive, standing, or special committees, consisting of two (2) or more persons, for any purpose defined by these By-Laws or determined by the Board; and when such committees are composed solely of Directors, the Board may delegate to such committees any of the powers and authority of the Board, except the power and authority to adopt, amend or repeal these By-Laws, or such other powers as may be prohibited by law.

Committees which are composed solely of Directors and to which the powers of the Board are delegated shall have power to act only in intervals between meetings of the Board and shall at all times be subject to the control of the Board. No act of a committee which is composed solely of Directors and to which any powers of the Board have been delegated shall be valid unless approved by the vote or written consent of a majority of its members. Except as otherwise provided in these By-Laws, the President of the Board shall appoint a member of each committee as chairperson of the committee.

Except as otherwise provided in these By-Laws, the Board of Directors or the Committees, if the Board does not act, shall establish rules and regulations for their meetings and meet at such times as are deemed necessary. Committees shall report to the Board from time to time as the Board may require. Any committee composed of persons, one or more of whom are not Directors, may act solely in an advisory capacity to the Board.

## VI

### AMENDMENT OF BY-LAWS

These By-Laws may be amended or repealed and new By-Laws adopted by a vote of two-thirds (2/3) of the Board of Directors at any Directors' meeting, provided such decision resulting from such vote be ratified by a majority vote (including proxy votes) of the members in attendance at the next Annual Business Membership Meeting, except that a By-Law fixing or changing the number of Directors may be adopted, amended or repealed only by a vote or written consent of a majority of the members of the corporation or the vote of a majority of a quorum at a meeting of the members called for that purpose which is the vote of the majority of those present voting.

## VII

### DUES

The Board of Directors may determine, from time to time, the amount of initiation fee, if any, and annual dues payable to the corporation by members of each type. Dues shall be reviewed at least annually by the Treasurer of the corporation who shall make recommendations to the Board of Directors. Any change in said dues shall require a two-thirds vote of the Directors present at a duly called and held Board of Directors meeting at which a quorum was present.

## VIII

### INDEMNIFICATION

Section 1. Indemnity of Officers and Directors. To the extent permitted by applicable state law, every person who serves as a Director, Officer, Member, or employee of the corporation and every person who serves at the written request of the corporation (or at its oral request subsequently confirmed in writing) as a Director, Officer, Member, or employee of another business, whether or not incorporated, in which the corporation is a creditor, may in the discretion of the Board of Directors be indemnified and held harmless by the corporation from and against any loss, cost, liability, or expense that may be imposed on or incurred by him in connection with or resulting from any claim action, suit or proceeding, civil or criminal, in which he may become a party or otherwise involved because of his being or having been a Director, Officer, or employee of the corporation, or of the other business in which the corporation may own capital stock or other proprietary interest, or of which the corporation is a creditor, whether or not he has this relationship when the loss, cost, liability, or expense was imposed or incurred. The phrase, "loss, cost, liability, or expense" shall include all expense incurred in defense of the claim, action, suit or proceeding and the amounts of judgments, fines, or penalties levied or rendered against the indemnified person, provided that no person shall be under this section unless the Board of Directors determines in good faith that he was acting in good faith and within what he reasonably believed to be the scope of his employment or authority and for a purpose that he reasonably believed to be in the corporation's or shareholders' best interest. Payments authorized under this section shall include amounts paid and expenses incurred in settling the claim, action, suit or proceeding, whether actually begun or only threatened.

Expenses incurred with respect to a claim, action, suit or proceeding indemnified against under this section may be advanced by the corporation before final disposition of the matter on receipt of an undertaking by or on behalf of the recipient to repay this amount if it is ultimately determined that he is not entitled to indemnification. This undertaking shall be satisfactory in form and amount to the Board of Directors. This right of indemnification shall not affect any other rights to which any person may otherwise be entitled by law or contract.

## IX

### CONTRACTS AND BANKING

Section 1. Contracts. The Board of Directors or the Executive Committee may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances and, unless so authorized by the Board, no officer or agent shall have any power to authority to bind the corporation by any contract or engagement, to pledge its credit or to render it liable for any purpose or in any amount.

Section 2. Deposits. All funds of the corporation not otherwise employed 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 or Executive Committee may select.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation and any and all securities

owned or held by the corporation requiring signature for transfer shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors or the Executive Committee.

Section 4. Loans. No loans shall be made by or to this corporation and no evidences of indebtedness shall be issued in its name.

X

## ACCOUNTING YEAR AND TAX AUDIT

Section 1. Account Year. The accounting year of the corporation shall begin on the first day of January and end on the last day of December in the same year.

Section 2. Annual Reports and Financial Statements. Nothing in these By-Laws shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports or financial statements to the Directors of the corporation, members, or other members of the general public, as they consider appropriate.

The corporation shall report its financial position to the voting members and directors at each duly held Board Meeting.

The corporation shall otherwise fully comply with any mandatory disclosure requirements now or hereinafter in effect under the California Nonprofit Corporation Law.

Section 3. Annual Statement and General Information. The corporation shall, during the period commencing on April 1 and ending on July 31 of each year, file with the Secretary of State of California, on a form prescribed by the Secretary of State, a statement setting forth the names and a complete business or residence addresses of the President, Secretary and Treasurer, the street address of its principal business office in this state, and a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 8210 of the California Corporations Code.

Section 4. Other Reports. The corporation shall provide reports to the Attorney General in the form and manner he or she may prescribe and fully comply, to the extent applicable, with the requirements of Section 8324 of the California Corporations Code and the California Uniform Supervision of Directors for Charitable Purposes Act commencing with Section 12580 of the Government Code.