



Executive Committee Meeting

July 9, 2026

4:00 to 5:00pm

Zoom Video Conferencing

<https://zoom.us/signin>

Join Zoom Meeting

<https://us02web.zoom.us/j/85384891282?pwd=4at5at4lBjip3ovxBacLB1cHkTaEzj.1>

Meeting ID: 853-8489-1282 and Passcode: 493719

MEETING AGENDA

- 1. Call to Order and Introductions (Larry Chung)**
Welcome by Board Chair, Larry Chung, SoCal Edison

- 2. Consent Agenda (Larry Chung)**
 - A. Approval of Minutes from Executive Committee meeting held on April 9, 2026 (see attachment)

- 3. Regular Agenda**
 - A. Board Chair's Report (Larry Chung)

- 4. Organizational Reports**
 - A. Reminder of Organizational Mission and Purpose (Jeff Ball)
 - B. Economic Development (Jesse Ben-Ron)
 - C. Workforce (Jesse Ben-Ron)
 - D. Housing (Jesse Ben-Ron)
 - E. Infrastructure (Jesse Ben-Ron)
 - F. Government Affairs (Amanda Walsh)

- G. BizPAC (Amanda Walsh)
- H. Research (Wallace Walrod, Jeff Ball)
 - I. Events (Lauren Martin)
 - J. Public Affairs (Jeff Ball for Paul Simonds)
 - K. Investor Relations (Carl Heft) (see attachment)
 - L. Strategic Partners and Coalition Partners (Jeff Ball)
 - M. Financial Highlights (Frank McEnulty, Jeff Ball)(see attachments)

5. Strategic Priorities (Jeff Ball)

- A. Corporate Governance

6. Specific Matters for Committee Discussion (Jeff Ball)

- A. Any Matters/Observations Committee Members would like to discuss

7. Next Committee Meeting: Thursday, 9, 2026
4:00 to 5:00pm
Zoom Meeting unless otherwise notified

Next Board Meeting: Thursday, August 13, 2026
4:00 to 5:30pm
OCBC Offices (& Zoom)

8. Closed Session with CEO (Committee Members only)

9. Closed Session without CEO (Committee Members only excluding CEO)

10. Adjournment

Attachments:

- A. Minutes of Executive Committee Meeting on April 9, 2026
- B. Government Affairs Memo
- C. Legislative House of Origin Update
- D. June 2026 Election Results
- E. Investor Relations Memo
- F. 2025 Audited Financial Statements
- G. 2025 Communication with Governance
- H. 2025 SAS 115 Letter
- I. YTD Income Statement through 5/26
- J. Balance Sheet as of 5/26
- K. Current Bylaws



Executive Committee Meeting

April 9, 2026

MEETING MINUTES

A regular meeting of the Executive Committee of the Orange County Business Council was held on April 9, 2026 using Zoom conferencing.

Board members attending by video conference were:

Jeffrey Ball, Shari Battle, Larry Chung, Jill Dunn, Steve Finnegan, Susan Hori, Darrell Johnson, Cathi Killian, Abigail Lovell, Felipe Monroig, Payman Roshan, Benjamin Ruben, Bill Shopoff, Nicole Suydam, Cedric Williams

Staff in attendance by video conference were:

Paulina Alvarez, Jesse Ben-Ron, Sarah Ghebrial, Carl Heft, Lauren Martin, Frank McEnulty, Jorgie Sandoval, Paul Simonds, Maiken Sorenson, Amanda Walsh, Wallace Walrod, Tanya Weisz

1. Call to Order and Introductions

Mr. Chung called the meeting to order at 4:05 PM. He welcomed everyone and thanked them for their attendance.

2. Consent Agenda

- A. Approval of Minutes from Executive Committee meeting held on January 8, 2026.
Mr. Chung noted the minutes from the prior Executive Committee meeting on January 8, 2026, and asked if there were any comments or changes. Hearing none he asked for a motion to approve. Motion by Mr. Finnegan, seconded by Ms. Dunn – APPROVED by majority vote with no objections or abstentions.

3. Regular Agenda

- A. Board Chair's Report
Mr. Chung stated that he and the other board officers will undertake a review of the board's governing structure with an intention of updating the current bylaws. Ms. Suydam added that she recently did this for her organization and that this process will improve governance and provide better support for the CEO.

4. Organizational Reports

- A. Reminder of Organizational Mission and Purpose
Mr. Ball provided a brief overview of the organization's mission and purpose. He discussed the primary strategic objectives of the

organization. He noted the upcoming end of the JobsFirst grant and the financial impact of that loss of revenue. He also discussed the potential for other grant opportunities. He then paused to take any comments and questions from members of the Committee.

B. Economic Development

Mr. Ben-Ron updated the board on new formatting for the Economic Development Committee Meetings, moving to onsite tours rather than formal presentations to encourage engagement and better highlight the member's impacts on Orange County. He reviewed current strategies and updates for focusing on MedTech clusters, as well as elaborating on the ending of the JobsFirst grant. Mr. Ben-Ron stated that his team was able to secure an extension to the end of the year, rather than September, but that they were working on future grants and revenue opportunities. He discussed the International Business Attraction committee the opportunities it is expected to provide to bring in new investors. He then paused to take comments and questions from members of the Committee.

C. Workforce

Mr. Ben-Ron elaborated on some of the grants his team is pursuing, in the hopes of securing more reliable funding. He touched on recent meetings with employers to speak about workforce needs with a focus on high schoolers and how best to set them up for success in those fields. Mr. Ben-Ron then gave an update on the LEA podcasts, sharing that they had been recorded. These podcasts will be released at the start of the school year and will be a great asset as an easily consumed media. Mr. Ben-Ron provided more information concerning the HR Forum and future committee meetings. He elaborated that these meetings will be a place for the employers to discuss topics important to them. He stated that the next meeting will be at the end of the month and asked that our board members send senior HR members to attend. He paused to take comments and questions from members of the Committee.

D. Housing

Mr. Ben-Ron provided the dates for the upcoming housing committee meeting. He also asked Mr. Sandoval to provide an update on Business Connections. He then paused to take comments and questions from members of the Committee.

E. Infrastructure

Mr. Ben-Ron provided details for the upcoming April Infrastructure committee meeting, which will include a tour of the new street car facility. He shared that the new tour format for meetings was well received. Mr. Ben-Ron asked that if any board member had ideas that promote our mission, educate, or share investor expertise to please

reach out to him. He then paused to take comments and questions from members of the Committee.

F. Government Affairs

Ms. Walsh provided an update on the many bills with the Government Affairs team is engaged on and monitoring. She shared how much of the information can now be found on our website where we have created a policy newsroom as a one stop place to check on higher tiered and priority bills. Ms. Walsh also shared that the recent Sacramento Trip was a great success, and provided details on upcoming committee meetings. She asked that if there are any bills missing from the list that board members would like watched to please reach out to her. She then paused to take comments and questions from members of the Committee.

G. BizPAC

Ms. Walsh reminded the committee that BizPAC has its own board and governance structure and that these updates were being provided for informational purposes only. She then provided a list of current contributions and endorsements, while stressing the need for increased participation and funding. She said that the team is considering fundraisers and out-of-region sources. She then paused to take comments and questions from members of the Committee.

H. Research

Mr. Ball reported that work on the 2027 Community Indicators Report is underway and the theme is close to being finalized. Mr. Ball said the report has experienced sponsorship growth and he thanked Ms. Lovell, Mr. Roshan, and Mr. Williams for their contributions. He stated that we need additional sponsors for the report and asked committee members to please consider. He also reminded everyone that OCBC is able to conduct any special research projects that investors need. He then paused to take comments and questions from members of the Committee.

I. Events

Ms. Martin began her update by providing a recap of the 2026 Annual Dinner, which boasted over 700 guests and exceeded budget goals. The feedback was positive with a number of potential opportunities for next year. Ms. Martin then gave a summary of the Sacramento Trip, reiterating the success mentioned earlier by Ms. Walsh and thanked Mr. Finnegan and Ms. Killian for their sponsorships. Ms. Martin then provided details on our upcoming events and thanked our current sponsors, encouraging any board members interested in sponsorships to reach out to her. She then paused to take comments and questions from members of the Committee.

J. Public Affairs

Ms. Ghebrial shared that OCBC has expanded our digital reach with a significant increase in views and followers. She encouraged the board to continue liking, sharing, and subscribing to our content and updates. Ms. Ghebrial provided further information concerning the Annual Impact Report, as well as OCBC's efforts towards rebranding and intentional media placement. She said this was accomplished thanks to weekly Insights releases and the new OCBC Policy Newsroom launch. She then paused to take comments and questions from members of the Committee.

K. Investor Relations

Mr. Heft provided highlights of the first quarter of the 2026 revenue report, stating that the year was off to a great start with 8 new investors, 2 membership upgrades, and only 1 member choosing not to renew. He shared that receivables collections are mostly strong, but that 8 board member organizations are currently past due. Mr. Heft shared the strategies to gain new business as well as the current list of prospects. He then paused to take comments and questions from members of the Committee.

L. Strategic Partners and Coalition Partners

Mr. Ball provided updates on organizational relationships and coalition partners. He then paused to take comments and questions from members of the Committee.

M. Financial Highlights

Mr. Ball reported the year-to-date financials, sharing that the council was in good standing with revenue, had a strong balance sheet, with a strong cash position and no debt. He stated that the financial audit was almost complete and he expects to have the full audit report in time for the next board meeting. He then paused to take comments and questions from members of the Committee.

5. Strategic Priorities (Jeff Ball)

Mr. Ball provided a final overview and recap of the current strategic priorities. He also reviewed details of the upcoming meetings, including the next full board of directors meeting that would be held at the ATEP Culinary Institute. He thanked Ms. Barnes for hosting and said he is looking forward to sharing the great things happening at ATEP. He then paused to take comments and questions from members of the Committee.

Mr. Chung asked if any members had additional matters which they would like to discuss. There were none.

Mr. Chung adjourned the meeting at 5:03 PM.

MEMORANDUM

DATE: July 9th, 2026

TO: Board of Directors

FROM:

Cathi Killian, Disneyland Resort, Co-Chair, Government Affairs Committee

Steve Finnegan, Automobile Club of Southern California, Government Affairs Committee

Amanda Walsh, Vice President of Government Affairs

Paulina Alvarez, Government Affairs Manager

SUBJECT: Government Affairs Report

2026 Legislative Session Update

As the 2026 legislative session progresses, OCBC's Government Affairs team continues to actively monitor and engage on legislation impacting Orange County's business community while advocating for policies that strengthen the region's business climate and economic competitiveness. Following the House of Origin deadline, several priority bills tracked by OCBC remain active while others have stalled for the year. Please see the attached **House of Origin Deadline Update** from the OCBC Policy Newsroom for a comprehensive recap of recent legislative activity.

AB 109 (Gabriel) – Port Funding Restrictions

OCBC opposed budget language included in AB 109 that restricts the use of certain state funding for automated cargo handling equipment and related infrastructure investments at California's ports. OCBC joined a coalition of stakeholders in raising concerns that the provision creates uncertainty for billions of dollars in planned infrastructure investments that support California's supply chain, international trade and long-term economic competitiveness.

AB 1776 (Aguiar-Curry) – Antitrust Expansion

OCBC continues to oppose AB 1776, which would make significant changes to California's antitrust laws under the Cartwright Act. The measure could increase legal uncertainty for businesses and impact how employers operate, compete and manage litigation risk throughout the state.

AB 1790 (Connolly) – Water's-Edge Tax Law

Although currently being held in the Assembly Appropriations Committee, AB 1790 would make significant changes to California's corporate tax structure through modifications to the state's water's-edge election rules. OCBC remains engaged due to concerns regarding increased tax complexity, business certainty and California's overall competitiveness.

SB 1123 (Wiener) – Standardized Regulatory Impact Assessment

OCBC opposed SB 1123 because it would have weakened California's Standardized Regulatory Impact Assessment (SRIA) process, one of the state's primary tools for evaluating the economic impacts of major regulations. Following significant concerns raised by the business community, the bill was pulled from the Assembly Economic Development, Growth and Household Impact Committee and will not advance this year.

SB 1359 (Stern) – Natural Gas Infrastructure

OCBC continues to oppose SB 1359, which would impose additional regulatory requirements before certain natural gas infrastructure projects can move forward. The bill is currently pending in the Assembly Appropriations Committee. OCBC remains concerned the measure would delay critical infrastructure investments, increase costs and negatively impact California's long-term energy reliability and affordability.

For a complete summary of legislation following the House of Origin deadline, please see the attached [OCBC Legislative Update: House of Origin Deadline](#) update.

To view all legislation currently being tracked by OCBC, including bill positions and status updates, visit: [OCBC Legislative Bill Tracker](#)

OCBC remains committed to advocating for policies that support economic growth, regulatory clarity and long-term competitiveness for Orange County businesses and will continue to engage as these and other measures move through the legislative process.

OCBC Policy Newsroom

OCBC's Policy Newsroom serves as a centralized hub for timely updates and insights on the legislative and regulatory issues shaping Orange County's business community. The platform provides concise briefings and analysis on key developments at the local, state and federal levels,

helping members stay informed and engaged on policies impacting the region's economic competitiveness and business climate.

As the 2026 legislative session progresses, the Policy Newsroom continues to track high-priority measures affecting housing, infrastructure, energy, workforce development, taxation and overall business competitiveness. The resource is regularly updated to reflect bill activity, OCBC positions and emerging policy trends throughout the legislative process.

The Policy Newsroom is designed to support OCBC members with accessible, real-time information to help navigate California's evolving policy landscape and engage effectively on issues impacting the regional economy.

Government Affairs Committee

OCBC's Government Affairs Committee continues to provide a critical forum for engaging with key decision-makers and shaping policies that impact Orange County's business climate. The committee gives OCBC investors direct access to influential leaders at every level of government, offering insight into legislative priorities while creating opportunities to advocate for pro-business policies and solutions.

Since the Committee last met, the GAC reconvened in June following its May recess. The June meeting featured Orange County Supervisor Vicente Sarmiento, who discussed the County's budget outlook, housing affordability, homelessness, healthcare access, workforce development and opportunities to activate underutilized County-owned properties for workforce and affordable housing.

The next Government Affairs Committee meeting will be held on **July 10** and will feature **Congresswoman Young Kim**, who will provide updates on federal priorities and issues impacting Orange County's business community.

2026 GAC Speaker Roster:

- January: Supervisor Don Wagner, 1st District
- February: Congressman Mike Levin, 49th District
- March: Assemblymember Diane Dixon, 72nd District
- April: Supervisor Katrina Foley, 5th District
- May: Dark
- June: Supervisor Vicente Sarmiento, 2nd District
- July: Congressman Young Kim, 40th District
- August: TBD

2026 Primary Election Begins to Shape November Races

As ballots continue to be counted following California's June 2026 Primary Election, early results are beginning to clarify several key races that will shape the state's political landscape heading into November. OCBC continues to monitor statewide and local contests, including the gubernatorial race and several Orange County Board of Supervisors elections, which will influence future decisions on housing, workforce, infrastructure, economic development and business competitiveness. While results remain unofficial pending certification, the election provides an early look at the policymakers who may help shape California's business climate over the coming years.

OCBC Government Affairs Team Conducts Sacramento Advocacy Meetings

In May, OCBC Vice President of Government Affairs Amanda Walsh and Government Affairs Manager Paulina Alvarez traveled to Sacramento to meet with members of the Orange County legislative delegation and key statewide partners. During the advocacy trip, the team met with the offices of Senator Tom Umberg, Assemblymember Laurie Davies and Senator Catherine Blakespear to discuss OCBC's legislative priorities and issues impacting Orange County's business community.

The team also met with statewide advocacy partners, including the California Chamber of Commerce and the California Business Properties Association, to coordinate legislative strategy and discuss emerging policy issues. While in Sacramento, Walsh and Alvarez attended the Assembly Utilities and Energy Committee hearing, where Walsh provided public testimony on wildfire recovery and insurance reform, reinforcing OCBC's commitment to advancing policies that support California's economic competitiveness and business climate.

OCBC Advocates for Wildfire Recovery and Insurance Reform

OCBC Vice President of Government Affairs Amanda Walsh recently provided public comment before the Assembly Utilities and Energy Committee on California's ongoing wildfire crisis and the need for stronger recovery and insurance reforms. Speaking on behalf of Orange County's business community, Walsh emphasized that the state's wildfire challenges extend beyond public safety, affecting affordability, economic competitiveness and business continuity.

During her testimony, Walsh highlighted the importance of the Wildfire Victims First Framework, which prioritizes wildfire prevention, insurance availability and affordability, and timely recovery for impacted communities. OCBC continues to advocate for balanced policies that strengthen wildfire resilience, support economic recovery and ensure California remains a competitive place to live, work and do business.

OCBC Convenes Tourism and Hospitality Roundtable to Discuss Emerging Policy Landscape

On May 29, OCBC hosted a small, invitation-only roundtable with hotel and tourism industry leaders to discuss emerging policy considerations impacting Irvine's hospitality and broader tourism sector. The discussion was convened in response to early-stage conversations around potential policy proposals affecting the industry and focused on ensuring OCBC remains aligned with the realities of operating in a highly competitive regional market.

Participants engaged in a candid working session centered on maintaining Irvine's competitiveness for tourism and investment, while also exploring the operational and financial impacts of similar policies in comparable markets such as Los Angeles, San Diego and Anaheim. The group also discussed opportunities for coordinated engagement and strategies to strengthen a more unified, fact-based voice for the industry.

OCBC will continue working closely with industry stakeholders to ensure the region's tourism and hospitality sectors remain competitive, sustainable and well-positioned for long-term growth.

OCBC Government Affairs Team Engages Irvine City Leadership on Emerging Tourism Policy Discussions

Following early conversations regarding potential policy developments impacting Irvine's hotel and tourism sector, OCBC's Government Affairs team has been actively engaging with members of the Irvine City Council to better understand the policy landscape and share industry perspectives.

To date, OCBC has met with Vice Mayor James Mai, Councilmember William Go and Councilmember Melinda Liu. The team is also scheduled to meet with Mayor Larry Agran and Councilmember Betty Martinez Franco in July to continue discussions and ensure ongoing dialogue with City leadership.

These conversations are helping inform OCBC's ongoing engagement with industry stakeholders and support a coordinated, fact-based approach to preserving Irvine's competitiveness as a tourism and investment destination.

Irvine Advances Tourism Readiness and Competitiveness Assessment

At its June 23 meeting, the Irvine City Council approved a motion by Councilmember Melinda Liu directing staff to work with OCBC, the Greater Irvine Chamber of Commerce, the Orange County Hotel & Lodging Association and the UC Irvine Paul Merage School of Business to provide data and analysis on Irvine's tourism assets, market opportunities and long-term competitiveness as a visitor destination.

The Council's action provides an alternative to issuing a formal Request for Proposals (RFP) for a Tourism Readiness and Competitiveness Assessment, which would have required additional

time and expense. City staff previously noted that proceeding through a traditional RFP process could extend completion of final deliverables into early 2027, making the collaborative approach a more efficient path forward.

The motion also directs staff to evaluate the potential impacts of proposed wage increases for hotel workers on Irvine's hospitality industry. Stakeholders have raised concerns that significant increases could affect the city's competitiveness as a tourism destination, particularly given prior policy actions and subsequent adjustments related to hotel worker wage standards.

Tourism remains a critical component of Irvine's economy, supporting local businesses, generating visitor spending and sustaining jobs across a range of industries. OCBC looks forward to participating in the assessment process and working with city leaders, industry partners and the broader business community to ensure the final analysis reflects the region's economic realities and supports Irvine's long-term competitiveness.

OCBC Engages on Proposed Subcontractor Disclosure Ordinance, Supports Continuance

OCBC's Government Affairs team has been actively engaged with regional partners, including the Building Industry Association of Southern California, Orange County Chapter, to gather information and assess the potential impacts of a proposed ordinance requiring subcontractor disclosure prior to building permit issuance. Through coordinated advocacy efforts and close collaboration with industry stakeholders, OCBC supported a request for continuance of the item to allow for additional review and stakeholder engagement.

As part of this effort, OCBC also participated in meetings with Supervisor Sarmiento's office and Chair Chaffee's staff to share concerns and provide input on the proposed policy. Stakeholders raised questions regarding the feasibility of the disclosure requirements, potential enforcement mechanisms and broader implications for housing production and project delivery timelines.

OCBC will continue working with agency partners and policymakers to ensure proposed regulations are practical, transparent and do not create unintended barriers to housing development or economic growth in Orange County.

Buena Park Updates Third-Party Restaurant Delivery Fee Ordinance

At its June 9 meeting, the Buena Park City Council unanimously approved an ordinance amending the City's third-party restaurant delivery fee regulations. Prior to the vote, OCBC submitted a letter encouraging the City to adopt a flexible approach that reflects the evolving restaurant delivery marketplace and supports local business competitiveness.

In its letter, OCBC noted that commission caps implemented during the COVID-19 pandemic addressed unique circumstances but that today's delivery platforms offer restaurants a range of service and pricing options tailored to their individual business needs. OCBC also highlighted that greater flexibility can help restaurants expand customer reach, respond to changing market conditions and remain competitive while avoiding unintended impacts on consumers and local economic activity.

Supporting policies that promote innovation, business flexibility and a strong local economy remains a key priority for OCBC. The Council's action modernizes Buena Park's approach to third-party delivery services while providing restaurants with additional options to support their long-term success.

Buena Park Approves Shopoff Housing Redevelopment Project

At its June 23 meeting, the Buena Park City Council unanimously approved Shopoff Realty Investments' redevelopment project at 5600 Beach Boulevard, transforming an underutilized commercial property into a 281-unit residential community with for-sale homes and affordable senior housing. Prior to the vote, OCBC Government Affairs Manager Paulina Alvarez provided public comment in support of the project, emphasizing the importance of expanding housing opportunities to address Orange County's workforce and affordability challenges. Supporting responsible housing development remains a key OCBC priority to strengthen workforce availability, economic competitiveness and long-term regional growth.

OCBC Legislative Update: House of Origin Deadline

As the Legislature moves beyond the House of Origin and key policy committee deadlines, several bills tracked by the Orange County Business Council are no longer moving forward this year, while other measures continue advancing through the legislative process. Throughout the session, OCBC actively engaged on a broad range of proposals through coalition advocacy, position letters and direct engagement with policymakers to ensure the voice of Orange County's business community was represented.

Bills No Longer Moving Forward in 2026

Housing, Land Use and Development

- **AB 1543 (Quirk-Silva)** – Would have expanded statewide application of Mobilehome Residency Law rent increase caps to all mobilehome parks, extending existing rent limitation frameworks beyond current jurisdictional applicability. **OCBC Position: Opposed**
- **AB 1553 (Connolly)** – Would have authorized electronic mail as an alternative method for certain CEQA public notice requirements when affirmatively requested by recipients, modifying existing public notice procedures under environmental review law. **OCBC Position: Opposed**

Energy, Environment and Regulatory Authority

- **AB 1777 (Garcia)** – Would have authorized the State Air Resources Board to adopt regulations addressing emissions from indirect sources of pollution where necessary to achieve ambient air quality standards, expanding state-level authority into an area currently shared with air districts. **OCBC Position: Opposed**

Business Regulation, Technology and Economic Policy

- **AB 1898 (Schultz)** – Would have required employer notice and disclosure regarding the use of workplace artificial intelligence tools in employment-related decisions, including maintenance and reporting of AI tool inventories and related enforcement provisions. **OCBC Position: Opposed**
- **AB 2027 (Ward)** – Would have established limitations on the use of worker personal information in the training of artificial intelligence systems, including prohibiting the use or disclosure of such data to develop AI tools intended to replicate or replace a worker's job and setting parameters around related data use and sharing. **OCBC Position: Opposed**
- **AB 2064 (Sharp-Collins)** – Would have expanded nondiscrimination protections under the Unruh Civil Rights Act to include criminal history as a protected category within business establishment access requirements. **OCBC Position: Opposed**
- **AB 2170 (Boerner)** – Would have required full CEQA review for specified industrial development projects located in or near overburdened communities and would limit the availability of statutory exemptions and ministerial review processes for those projects. **OCBC Position: Opposed**

Workforce and Economic Policy

- **SB 690 (Caballero)** – Would have added an exemption to existing communications interception restrictions for defined commercial business purposes, including certain data processing activities subject to consumer opt-out rights. **OCBC Position: Support**
- **SB 982 (Wiener)** – Would have authorized the Attorney General to bring civil actions against specified fossil fuel companies to recover climate-related costs and would have established strict liability for covered entities. **OCBC Position: Opposed**
A similar Assembly bill, AB 1776 (Aguiar-Curry), did pass through
- **SB 1074 (Wiener)** – Would have prohibited covered digital platform providers from self-preferencing their own products and imposed interoperability and data portability requirements for business users and consumers under antitrust law. **OCBC Position: Opposed**
- **SB 1222 (Choi)** – Would have established regulatory changes intended to improve operational clarity and efficiency in business and development-related processes. **OCBC Position: Support**
- **SB 1318 (Allen)** – Would have addressed infrastructure and development-related policy changes with implications for project delivery timelines and associated costs. **OCBC Position: Opposed**

Held in Suspense

Tax Policy

- **AB 1790 (Connolly)** – The Corporation Tax Law imposes tax on corporate net income and provides rules for apportioning income for multistate and multinational corporations, including the option for taxpayers to file using a water’s-edge election or a worldwide unitary reporting method. This bill would modify existing rules governing the water’s-edge election by requiring certain U.S. shareholder income from controlled foreign corporations to be included within the water’s-edge group and adjusting the treatment of apportionment factors for specified corporations beginning in 2026. **OCBC Position: Opposed**

Bills Still Advancing in 2026

Antitrust and Competition Policy

- **AB 1776 (Aguiar-Curry)** – The Cartwright Act prohibits unlawful restraints of trade and establishes standards for enforcement of antitrust violations under California law. Existing law provides pleading standards and applies a “rule of reason” analysis in evaluating certain antitrust claims, balancing anticompetitive effects against potential procompetitive justifications. This bill would expand prohibitions on conduct deemed to monopolize or restrain trade, including prohibiting certain anticompetitive effects in one market from being offset by benefits in another market and limiting the consideration of broader justifications when evaluating alleged antitrust harms. **OCBC Position: Opposed**

Housing Policy

- **AB 1903 (Wicks)** – Establishes an alternative certified building process for certain condominium and townhouse developments beginning in 2027, including private inspection, repair, and certification procedures intended to streamline construction defect resolution and improve predictability in post-construction claims. The bill passed the Assembly Floor with strong bipartisan support. **OCBC Position: Support**

Workforce and Technology Policy

- **SB 947 (McNerney)** – Restricts employer use of automated decision systems in employment-related contexts, including limitations on use for employment decisions, disclosure requirements, and employee access to related data, along with enforcement and penalty provisions. **OCBC Position: Oppose**

Energy and Infrastructure Policy

- **SB 1359 (Stern)** – Would require the California Public Utilities Commission, prior to approving certain capital investments by gas corporations exceeding \$10 million for natural gas distribution infrastructure, to make specified findings related to consistency with the state's greenhouse gas emissions reduction targets. The bill would also require utilities to provide supporting evidence regarding the proposed investment. **OCBC Position: Opposed**

OCBC Policy Newsroom

The OCBC Policy Newsroom serves as a central hub for members and stakeholders to stay informed on key legislative and regulatory developments affecting Orange County's business community. The newsroom provides timely updates on priority bills, OCBC advocacy efforts, coalition activities and policy outcomes.

OCBC Legislative Update: House of Origin Deadline

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Throughout the session, OCBC actively engaged on a broad range of proposals through coalition advocacy, position letters and direct engagement with policymakers to ensure the voice of Orange County's business community was represented.

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- **AB 2027 (Ward)** – Would have established limitations on the use of worker personal information in the training of artificial intelligence systems, including prohibiting the use or disclosure of such data to develop AI tools intended to replicate or replace a worker’s job and setting parameters around related data use and sharing. **OCBC Position: Opposed**
- **AB 2064 (Sharp-Collins)** – Would have expanded nondiscrimination protections under the Unruh Civil Rights Act to include criminal history as a protected category within business establishment access requirements. **OCBC Position: Opposed**
- **AB 2170 (Boerner)** – Would have required full CEQA review for specified industrial development projects located in or near overburdened communities and would limit the availability of statutory exemptions and ministerial review processes for those projects. **OCBC Position: Opposed**

Workforce and Economic Policy

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- **SB 982 (Wiener)** – Would have authorized the Attorney General to bring civil actions against specified fossil fuel companies to recover climate-related costs and would have established strict liability for covered entities. **OCBC Position: Opposed**
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Tax Policy

- **AB 1790 (Connolly)** – The Corporation Tax Law imposes tax on corporate net income and provides rules for apportioning income for multistate and multinational corporations, including the option for taxpayers to file using a water’s-edge election or a worldwide unitary reporting method. This bill would modify existing rules governing the water’s-edge election by requiring certain U.S. shareholder income from controlled foreign corporations to be included within the water’s-edge group and adjusting the treatment of apportionment factors for specified corporations beginning in 2026. **OCBC Position: Opposed**

Bills Still Advancing in 2026

Antitrust and Competition Policy

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Housing Policy

- **AB 1903 (Wicks)** – Establishes an alternative certified building process for certain condominium and townhouse developments beginning in 2027, including private inspection, repair, and certification procedures intended to streamline construction defect resolution and improve predictability in post-construction claims. The bill passed the Assembly Floor with strong bipartisan support. **OCBC Position: Support**

Workforce and Technology Policy

- **SB 947 (McNerney)** – Restricts employer use of automated decision systems in employment-related contexts, including limitations on use for employment decisions,

disclosure requirements, and employee access to related data, along with enforcement and penalty provisions. **OCBC Position: Oppose**

Energy and Infrastructure Policy

- **SB 1359 (Stern)** – Would require the California Public Utilities Commission, prior to approving certain capital investments by gas corporations exceeding \$10 million for natural gas distribution infrastructure, to make specified findings related to consistency with the state’s greenhouse gas emissions reduction targets. The bill would also require utilities to provide supporting evidence regarding the proposed investment. **OCBC Position: Opposed**

OCBC Policy Newsroom

The OCBC Policy Newsroom serves as a central hub for members and stakeholders to stay informed on key legislative and regulatory developments affecting Orange County’s business community. The newsroom provides timely updates on priority bills, OCBC advocacy efforts, coalition activities and policy outcomes.

2026 Election Results

Orange County & Statewide Overview

In Orange County, the Registrar of Voters has counted approximately 577,588 ballots, representing roughly 30.3% turnout among the county's 1.9 million registered voters. However, the Registrar estimates that approximately 197,350 ballots remain to be processed and counted, including vote-by-mail ballots, Election Day drop-offs, provisional ballots and conditional voter registration ballots. The Registrar notes these figures are estimates and may be adjusted as additional sorting and verification occurs.

Statewide, all precincts are partially reporting, but counties will continue processing vote-by-mail, provisional and conditional voter registration ballots over the coming days and weeks. As a result, while many trends are becoming clear, several races remain unofficial pending certification.

* = **Incumbent**

* = **BIZPAC Endorsed Candidate**

* = **BIZPAC Campaign Contribution Given**

GOVERNOR - STATEWIDE RESULTS

Steve Hilton (REP)	1,553,435	27.2%
Xavier Becerra (DEM)	1,470,100	26%
Tom Steyer (DEM)	1,139,517	20.2%
Chad Bianco (REP)	629,109	11.1%
Katie Porter (DEM)	255,707	4.5%

The Governor's race appears headed toward a November showdown between Republican Steve Hilton and Democrat Xavier Becerra.

Hilton's first-place finish is perhaps the most noteworthy statewide development. He successfully consolidated Republican and center-right voters while also attracting voters frustrated with California's affordability challenges, cost of living and overall direction.

Key Takeaway: Hilton and Becerra appear destined for a November runoff, creating what could become California's most competitive gubernatorial contest in years

SECRETARY OF STATE - STATEWIDE RESULTS

Shirley N. Weber (DEM)	2,949,004	55.1%
Donald P. (Don) Wagner (REP)	2,167,479	40.5%
Michael Feinstein (GRN)	124,329	2.3%

Secretary of State Shirley Weber appears similarly well-positioned.

While Wagner has performed respectably statewide and remains a well-known figure within Orange County political circles, Weber's advantage suggests she will likely retain the office.

Key Takeaway: Weber remains the favorite to secure another term.

ATTORNEY GENERAL – STATEWIDE RESULTS

*Rob Bonta (DEM)	2,895,304	53.4%
Michael Gates (REP)	2,226,187	41.8%
Marjorie Mikels (GRN)	263,521	4.9%

Gates' performance demonstrates substantial support among voters seeking a more aggressive law-and-order approach to public safety and state legal policy.

Key Takeaway: Bonta remains on a clear path to reelection.

SUPERINTENDENT OF PUBLIC INSTRUCTION – STATEWIDE RESULTS

Sonja Shaw (REP)	1,163,078	24.5%
Richard Barrera (NPP)	914,352	19.3%
Wendy Castaneda Leal (NPP)	453,183	9.6%
* Josh Newman (DEM)	339,406	7.2%

Sonja Shaw has emerged as the clear frontrunner in the race for Superintendent of Public Instruction, capturing and holding a sizable lead over the rest of the field.

Former California State Senator Josh Newman currently trails the field, placing fourth. While the race remains fluid and multiple candidates are competing for a spot in the general election, Newman faces a significant challenge in closing the gap with the leading contenders.

Key Takeaway: Shaw has established an early lead in the contest, while Newman currently sits in fourth place and will need to gain considerable ground to improve his position as the race advances.

BOARD OF EQUALIZATION DISTRICT 4 - DISTRICTWIDE RESULTS

Denis Bilodeau (REP)	694,535	47.6%
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Tom Umberg (DEM)	295,486	20.2%
Cody Petterson (DEM)	256,486	17.6%
Martin Arias (DEM)	191,297	13.1%

One of the most important races for Orange County's business community is Board of Equalization District 4, which includes Orange, San Diego, Riverside, Imperial and portions of San Bernardino counties.

Bilodeau's performance reflects strong support throughout Southern California and positions him favorably heading into November.

Key Takeaway: Bilodeau appears positioned to defeat Umberg and secure the District 4 seat.

FEDERAL

U.S. House of Representatives District 38 - Districtwide Results (LA/OC)

Hilda Solis (DEM)	42,423	45.2%
Pedro Antonio Casas (REP)	36,857	39.3%
Monica Sanchez (DEM)	11,416	12.2%

U.S. House of Representatives District 40 - Districtwide Results (OC/R)

New district due to redistricting

Ken Calvert (REP)	48,765	35.9%
* Young Kim (REP)	28,933	21.3%
Esther Kim-Varet (DEM)	21,580	15.9%

Calvert and Kim are positioned to advance to November under California's top-two system.

The race highlights the advantage Republicans held entering the primary. While Democratic voters were divided among multiple candidates, Calvert emerged with a commanding first-place finish and Kim secured the second runoff position. Combined, Republican candidates received nearly 58% of the vote, significantly outperforming the Democratic field and reinforcing the district's Republican lean.

The results suggest Calvert remains in a strong position heading into the general election and that the district will likely remain in Republican hands following November.

Key Takeaway: Calvert enters November with a clear advantage, while Kim's strong second-place finish underscores continued Republican strength in the district.

U.S. House of Representatives District 41 - Districtwide Results (LA/OC)

Mitch Clemmons (REP)	43,408	39.6%
Linda Sánchez (DEM)	39,885	36.4%
Hector De La Torre (DEM)	14,534	13.3%

U.S. House of Representatives District 42 - Districtwide Results (LA/OC)

New district due to redistricting

Robert Garcia (DEM)	74,805	52.8%
Brian Burley (REP)	31,598	22.3%
Noah Von Blom (REP)	26,157	18.5%

Burley's showing is noteworthy and provides Republicans with a credible challenger around whom to consolidate support. Burley was not the only Republican in the race, and additional Republican candidates captured a meaningful share of the vote. As those voters consolidate behind a single candidate in November, the race is likely to become more competitive than the primary percentages alone suggest.

Key Takeaway: Garcia remains favored, but Republican vote consolidation should narrow the gap and make the November margin more competitive than the primary results currently indicate.

U.S. House of Representatives District 45 - Districtwide Results (LA/OC)

*Derek Tran (DEM)	58,056	50.8%
Chuong V. Vo (REP)	18,251	16%
Chi "Charlie" Nguyen (REP)	14,089	12.3%

U.S. House of Representatives District 46 - Districtwide Results (OC)

*Lou Correa (DEM)	38,154	49.7%
David Pan (REP)	28,487	37.1%
Christian Mendez (DEM)	5,120	6.7%

Correa remains well-positioned, but Pan's performance suggests Republicans have a viable challenger capable of making the race more competitive than many expected.

Key Takeaway: Correa remains favored but should expect an active general election campaign.

U.S. House of Representatives District 47 - Districtwide Results (OC)

*Dave Min (DEM)	63,192	43.8%
Jenny Rae Le Roux (REP)	37,782	26.2%
Hunter Garcia Miranda (DEM)	11,376	7.9%
Michael Maxsenti (REP)	10,687	7.4%

While Min enters the general election from a position of strength, additional Republican candidates collectively received a meaningful share of the vote during the primary. As those voters consolidate behind Le Roux in November, the race is likely to become considerably more competitive than the current results suggest.

Given the district's political makeup and recent electoral history, neither party should take the race for granted.

Key Takeaway: Min advances as the frontrunner, but Republican vote consolidation could create one of Orange County's most competitive congressional contests.

U.S. House of Representatives District 49 - Districtwide Results (OC/SD)

*Mike Levin (DEM)	84,279	53%
Armen Kurdian (REP)	44,962	28.3%
Star Parker (REP)	29,673	18.7%

STATE SENATE

State Senate District 30 - Districtwide Results (LA/OC)

*Bob J. Archuleta (DEM)	78,994	61.5%
Araceli Martinez (REP)	49,387	38.5%

While Archuleta appears well-positioned districtwide, the Orange County portion of the district tells a more nuanced story. His weaker performance within Orange County highlights continued political challenges in the district's OC communities.

Key Takeaway: Archuleta is likely safe districtwide, but his Orange County performance remains noteworthy.

State Senate District 32 - Districtwide Results (OC/R)

*Kelly Seyarto (REP)	89,123	59.8%
Tiffanie Tate (DEM)	59,837	40.2%

State Senate District 34 - Districtwide Results (LA/OC)

* * Avelino Valencia (DEM)	56,701	60.9%
Rhonda Shader (REP)	36,419	39.1%

Valencia's margin reflects broad support throughout the district and places him in a strong position heading into the general election.

Key Takeaway: Valencia is in very strong shape.

State Senate District 36 - Districtwide Results (LA/OC)

* * * Tony Strickland (REP)	112,569	55.6%
Chris Duncan (DEM)	89,788	44.4%

Strickland's performance demonstrates strong districtwide support and places him in an advantageous position heading into the fall campaign.

Key Takeaway: Strickland is in excellent shape.

State Senate District 38 - Districtwide Results (OC/SD)

*Catherine Blakespear (DEM)	104,730	51.9%
Laura Bassett (REP)	96,969	48.1%

This remains one of the most competitive legislative races affecting Orange County. While Blakespear maintains a narrow advantage, the margin is sufficiently tight that additional ballots could influence the trajectory of the race.

Key Takeaway: Blakespear is holding on, but the race remains highly competitive.

STATE ASSEMBLY
State Assembly District 59 - Districtwide Results (OC/SB)

*Phillip Chen (REP)	61,414	68.9%
Victor Hernandez (GRN)	27,698	31.1%

Chen delivered one of the strongest performances of any Orange County legislative incumbent and appears comfortably positioned for reelection.

Key Takeaway: Chen is in commanding position.

State Assembly District 64 - Districtwide Results (LA/OC)

*Blanca Pacheco (DEM)	36,747	62.6%
Raul Ortiz Jr. (REP)	21,944	37.4%

State Assembly District 67 - Districtwide Results (LA/OC)

Paulo Morales (REP)	21,390	34.3%
Mark Pulido (DEM)	16,051	25.7%
Ada Briceno (DEM)	12,699	20.4%
Ali Taj (DEM)	4,934	7.9%

Morales delivered one of the more significant legislative performances of the evening by finishing first in a highly competitive district. His showing demonstrates strong support among Republican and independent voters and positions him well heading into November.

Key Takeaway: Morales enters the general election from a position of strength and has a legitimate opportunity to win the seat, though with the Democrat voters coalescing around one candidate, Pulido could be favored.

State Assembly District 68 - Districtwide Results (OC)

Mayra Ruiz (REP)	15,142	34%
* * David Penaloza (DEM)	14,853	33.3%
Jessie Lopez (DEM)	11,473	25.8%

Penaloza remains highly competitive and enters the general election with a strong foundation despite narrowly trailing in the primary.

Key Takeaway: Penaloza is in good shape and headed toward a competitive November contest.

State Assembly District 70 - Districtwide Results (OC)

*Tri Ta (REP)	40,437	56.8%
Paula Swift (DEM)	30,750	43.2%

State Assembly District 71 - Districtwide Results (OC/R)

* * * Kate Sanchez (REP)	54,386	59.5%
JJ Galvez (DEM)	37,005	40.5%

State Assembly District 72 - Districtwide Results (OC)

Chris Kluge (DEM)	51,402	42.1%
Gracey Van Der Mark (REP)	47,559	39%
Matthew Harper (REP)	20,488	16.8%

A significant factor in the race was Harper's candidacy, which split a portion of the Republican vote. Should those voters consolidate behind Van Der Mark in November, the race could become highly competitive.

Key Takeaway: Van Der Mark appears well-positioned for November and could benefit significantly from consolidation of Harper's supporters.

State Assembly District 73 - Districtwide Results (OC)

* * Cottie Petrie-Norris (DEM)	40,189	57.9%
Urson Russell (REP)	29,259	42.1%

State Assembly District 74 - Districtwide Results (OC/SD)

* * Laurie Davies (REP)	55,353	55.2%
Sergio Farias (DEM)	44,990	44.8%

SUPERVISORAL
County Supervisor District 2 - Districtwide Results

*Vicente Sarmiento (DEM)	34,594	63.3%
Kimberly Davis (REP)	8,127	14.8%
Nelinda Mendoza (DEM)	6,186	11.3%
James Wallace	5,751	10.5%

County Supervisor District 4 - Districtwide Results

Tim Shaw (REP)	26,264	33.3%
Connor Traut (DEM)	24,643	31.2%
Fred Jung (NPP)	14,648	18.6%

Rose Espinoza	13,388	16.9%
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Supervisor Fred Jung is third with 18.6%, while Rose Espinoza received 16.9%.

With no candidate approaching the 50% threshold, the race appears headed toward a November runoff between Shaw and Traut.

The most important dynamic emerging from Election Night is the role of Jung's supporters. Jung's nearly 19% share of the vote represents a significant bloc of voters who will become highly sought after by both campaigns should the race advance to the general election.

From a political perspective, Shaw's first-place finish is notable. The fact that Jung attracted a meaningful share of center-right voters from a similar electorate could ultimately work to Shaw's advantage if those voters consolidate behind him in November.

Key Takeaway: Shaw's first-place finish positions him well for November. The eventual alignment of Jung's voters may prove decisive in determining the outcome of the race.

County Supervisor District 5 - Districtwide Results

Diane Dixon (REP)	65,740	48.5%
* * * Katrina Foley (DEM)	62,397	45.8%
Lucy Vellema	8,130	6%

The key question is whether Dixon can surpass the 50% + 1 vote threshold required to win the race outright and avoid a November runoff. Given the nearly 200,000 ballots still estimated to be outstanding countywide, it remains too early to determine whether she can secure an outright victory.

Regardless of whether the race is decided in the primary or advances to November, Dixon enters the next phase of the election from a position of strength. Her current performance reflects broad support throughout the district and places significant pressure on Foley as additional ballots are counted.

Key Takeaway: Dixon remains within striking distance of winning outright. If the race advances to November, she appears well-positioned heading into a head-to-head contest with Foley.

MEMORANDUM

DATE: July 9, 2026
TO: Members of the OCBC Executive Committee
FROM: Carl Heft, Vice President of Investor Relations
CHAIR: Eric Morgan, Chair, Investor Relations
SUBJECT: Investor Relations Report

1. Q2 Revenue Update

The 2nd Quarter of 2026 showed strong results, having already successfully renewed 27 existing investors, with only 1 non-renewal, generating \$338,500 in renewal revenue.

Also, 8 new Investors were added in Q2, including Medtronic, American Water, Gibson, Dunn & Crutcher, Southland Credit Union, Cristo Rey, CA Alliance of Family Owned Businesses, Associated Builders & Contractors, and Sofia University. In addition, Reyes Coca Cola was upgraded from Bronze to Silver, generating \$62,500 in new business revenue.

Several more new investors are in the process of sending in their payment, and will be added to the list once it is received.

2. Receivables Update

Year to Date, there are currently 10 investors with past due invoices:

Karma Automotive
RJ Noble Company
CA Apartment Association Orange County
Slalom
Ontario International Airport
Burnham Ward
City of Anaheim
City of Mission Viejo
Richard Nixon Foundation
Western States Petroleum Association

There are also 8 board member organizations with past due invoices. Prompt payment would be appreciated as past due collections require internal resources which could be applied towards new investors.

3. Prospect List

The future success of OCBC is dependent upon our ability to continue to attract and retain new investors with a broader base of participation. The following organizations have expressed an interest in becoming investors or increasing their current investment, and any help from board members to encourage them to complete the process would be appreciated. Prospects are listed in order of priority as defined in the footnote below.

<u>Organization</u>	<u>Status</u>	<u>Contact</u>
Accenture	5	Aimee Kuan
Angels Baseball	5	Drew Zinser
Google	5	Kevin Sanchez
N. OC Community College Distr.	5	Ferdie Santos
TS Conductor	5	Andrew Ball
IT Global	5	Anthony Rare
Jamboree Housing (upgrade)	4	Laura Archuleta
Arellano & Associates	4	Chester Britt
Sunstone Management	4	John Shen
Warmington Homes	4	Joe Oftelie
Biola University	4	David Vazquez
Long Beach Airport	3.5	Juan Lopez-Rios
Holliday Rock Construction	3.5	Peggy Robertson
Columbia Bank	3.5	Clint Stein
IDS International	3.5	Dann Veil
California Resource Corporation	3.5	Marlo Naber-Mole
Chip 1 Exchange	3.5	Nazanin Talei
Talley	3.5	Frank Weber
Wincome Hospitality	3.5	Paul Sanford
Orlando Precision	3.5	Frank Mauro
Fortinet	3.5	Dan DesRosiers
ESG	3.5	Peter Dorsh
Wilson Sonsini	3.5	Emon Heidari
Citibank	3.5	Steven Small
Edwards Lifesciences	3.5	Heather Villareal
Fairground Transportation	3.5	Jeff Cribbs
GTC	3.5	Arie Shen
SAP	3.5	Tobias Schimmer
Pixel Money	3.5	Jack Li
Woodruff & Smart	3.5	Michael J. Wimberley
OC Conservation Corps	3.5	Katharyn Muniz

Anaheim Chamber of Commerce	3	Dara Maleki
Avantus	3	Antonia Castro-Graham
B. Braun	3	Pete Klaes
BBSI	3	Robert Seaney
Caribou Industries, Inc.	3	Nathan Hittle
CBRE	3	Kurt Strasmann
City of Fullerton	3	Kate Polezhaev
City of Newport Beach	3	Lauren Kleiman
Cloudvirga	3	Maria Moskver
Code Four / Pacific Airshow HB	3	Mark Galbraith
Cox Castle	3	Sean Matsler
Digital DM	3	Daniel Millstein
eNoLux LLC	3	Aloha Ley
FFB Bank	3	Wesley J. Ito
Financial Partners Credit Union	3	Nader Moghadam
Fortinet	3	Ken Chawkins
Georg Fisher	3	Heini Meier
Glydways	3	Mariah Ray
Halcyon	3	Jason Green
Henley & Partners	3	Moe Soleiman
The Irvine Company	3	TBD
Joby Aviation	3	Andy Krebs
KPMG	3	Mark Clemens
Laird Coatings	3	Ed Laird
LAist	3	Jes Whitet
Lendistry	3	Everett Sands
LN Compute	3	Roger Su
McDermott & Bull	3	Rod McDermott
Mitsui & CO USA	3	Ryan Bates
NHHA	3	Dr. Clayton Chau
National Installers	3	David Yount
New York Life	3	Ray Stellhorn
OC Head Start	3	Gail Lyons
Pinnacle Security	5	Fawad Ahmadzai
Pinner Construction	3	Ron Fields
PIR Commercial	3	Anna Murphy
Planet Innovation	3	TBD
Roth Capital	3	Isabel Mattson
Rutan & Tucker	3	Kelly Lucinda Galligan
SCAG	3	Jonathan Davis
Serendipity Labs	3	Jeffery Bartley
Servite High School	3	Stephen Walswick
Smart Exe	3	Anna Koreban

Sorama	3	Rick Scholte
South Coast Metro Alliance	3	Diane Pritchett
Tech Heights	3	Darryl Santa
Turelk	3	Dave Hosier
Turion Space	3	Yessie Lynch
UseAgain	3	Andrew Proctor
Ventura Foods	3	Chris Furman
Westbound Communications	3	Daniel Rhodes
Wilson Elser	3	TBD
Alzheimer's Family Center	2	Catharine Hulsy
AMFM	2	Rio Fontanilla
Asian Business Association OC	2	Alexander Kim
Currency Direct	2	Amanda Dunn
Haskell and White	2	Wayne Pinnell
Holland & Knight	2	Dave Robinson
Hyundai North America	2	Brandon Ramirez
International Education Corp	2	Lynn Mulherin
Nasdaq	2	TBD
Newmeyer Dillon	2	TBD
Northgate Markets	2	Alicia Valadez
Providence Health Plan	2	Scott Burton
Sunrun	2	Adler Goode
United Business Bank	2	John Dzida
American Business Bank	1	Erik Dickerson
Assa Abloy	1	Tim Goff
NAIOP	1	Mihran Toumajan
Orange County Museum of Art	1	Brittany Delany
Oracle	1	Bobby Bliven
Republic Services	1	Mike Johnson
University Lab Partners	1	TBD
5 - Payment in process	90%	
4 - Commitment to join	70%	
3.5 - Strongly considering	60%	
3 - Considering	50%	
2 - Waiting to set up meeting	30%	
1 - Longer term opportunity	10%	

ORANGE COUNTY BUSINESS COUNCIL

Report and Financial Statements

December 31, 2025

ORANGE COUNTY BUSINESS COUNCIL
INDEX TO REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Orange County Business Council

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Orange County Business Council (“OCBC”), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Orange County Business Council as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OCBC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OCBC’s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OCBC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OCBC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Talley, LLP

Orange, California
June 16, 2026

ORANGE COUNTY BUSINESS COUNCIL

STATEMENT OF FINANCIAL POSITION

December 31, 2025

ASSETS

Current assets

Cash	\$	188,139
Investments, at fair value		698,877
Membership dues receivable, net		544,769
Prepaid expenses		17,500

Total current assets 1,449,285

Property and equipment, net

38,519

Operating lease right-of-use asset

283,476

\$ 1,771,280

LIABILITIES AND NET ASSETS

Current liabilities

Current maturities of operating lease liability	\$	112,069
Current maturities of finance lease liability		7,730
Accounts payable and accrued expenses		342,892
Deferred revenue		880,020

Total current liabilities 1,342,711

Operating lease liability, net of current maturities

163,013

Finance lease liability, net of current maturities

30,274

Net assets

Without donor restrictions - total net assets		235,282
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\$ 1,771,280

The accompanying notes are an integral part of these financial statements.

ORANGE COUNTY BUSINESS COUNCIL

STATEMENT OF ACTIVITIES

Year ended December 31, 2025

Revenues

Membership dues	\$	1,890,481
Programs and events		1,086,876
Special projects		1,078,836
Other revenue		75,062
Investment income, net		<u>62,575</u>

Total revenues 4,193,830

Expenses

Program services		3,306,810
General and administrative		509,895
Membership development		<u>383,536</u>

Total expenses 4,200,241

Decrease in net assets without donor restrictions (6,411)

Net assets

Net assets - beginning of year		
Without donor restrictions		221,842
With donor restrictions		<u>19,851</u>

Net assets - beginning of year 241,693

Net assets - end of year - without donor restrictions \$ 235,282

The accompanying notes are an integral part of these financial statements.

ORANGE COUNTY BUSINESS COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2025

	Program Services	General and Administrative	Membership Development	Total
Salaries and wages	\$ 1,404,888	\$ 301,047	\$ 301,047	\$ 2,006,982
Programs and events	550,334	7,075	18,657	576,066
Professional fees	230,182	72,170	9	302,361
Bad debt expense	296,874	-	-	296,874
Operating lease expense	118,319	25,355	25,355	169,029
Finance lease amortization expense	11,988	2,569	2,569	17,126
Special projects	528,141	-	-	528,141
Travel and conferences	57,438	42,367	20,327	120,132
Repairs and maintenance	41,830	8,966	8,966	59,762
Communications	897	10,893	230	12,020
Utilities	33,008	14,307	-	47,315
Insurance	9,331	1,999	1,999	13,329
Supplies	24	17,219	39	17,282
Interest expense	-	1,590	-	1,590
Other	23,556	4,338	4,338	32,232
	<u>\$ 3,306,810</u>	<u>\$ 509,895</u>	<u>\$ 383,536</u>	<u>\$ 4,200,241</u>

The accompanying notes are an integral part of these financial statements.

ORANGE COUNTY BUSINESS COUNCIL

STATEMENT OF CASH FLOWS

Year ended December 31, 2025

Cash flows from operating activities:	
Change in unrestricted net assets	(\$ 6,411)
Adjustments to reconcile changes in unrestricted net assets to net cash provided by operating activities:	
Bad debt expense	296,874
Operating lease asset amortization	164,761
Unrealized gain on investments	(11,536)
Realized gain on investments	(51,039)
Depreciation	17,126
(Increase) decrease in:	
Membership dues receivable, net	(288,668)
Prepaid expenses	19,623
Other current assets	11,068
Increase (decrease) in:	
Accrued expenses and accrued expenses	43,499
Deferred revenue	96,361
Operating lease liability	(<u>172,091</u>)
Net cash provided by operating activities	119,567
Cash flows from investing activities:	
Purchases of investments	(198,031)
Proceeds from sales of investments	<u>117,120</u>
Net cash used by investing activities	(80,911)
Cash flows from financing activities	
Payments on finance lease liability - net cash used in financing activities	(<u>14,738</u>)
Net increase in cash	23,918
Cash and restricted cash, January 1, 2025	<u>164,221</u>
Cash, December 31, 2025	<u><u>\$ 188,139</u></u>

The accompanying notes are an integral part of these financial statements

ORANGE COUNTY BUSINESS COUNCIL

STATEMENT OF CASH FLOWS (CONTINUED)

Year ended December 31, 2025

Supplemental cash flow information

Cash paid during the year:

Interest

\$ 1,590

Non-cash operating activities:

ROU assets obtained in exchange for operating lease liabilities

\$ 311,427

Non-cash financing activities:

Property and equipment obtained in exchange for finance lease liabilities

\$ 44,076

The accompanying notes are an integral part of these financial statements.

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 1 – THE COMPANY

Orange County Business Council (“OCBC”), a California not-for-profit organization, is the leading voice of business in Orange County on important issues locally, regionally, and nationally. OCBC provides a proactive forum for businesses, government, and academia to join together to serve business interests so that the region’s vibrant economy will continue to expand. OCBC provides leading research, a high-profile advocacy program, and events focusing on four core initiatives: infrastructure, workforce development, workforce housing, and economic development.

For more than 100 years, OCBC and its predecessor organizations have promoted economic development countywide and represented businesses with nearly 250,000 employees in Orange County and 2 million worldwide. OCBC’s diversified membership base consists of nearly 300 businesses, cities, and not-for-profit organizations representing many of the region’s top employers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) on the accrual basis of accounting which records expenses at the time liabilities are incurred and revenues when earned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of OCBC to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

OCBC applies fair value accounting for all financial assets and liabilities that are recognized at fair value in the financial statements. In determining the fair value of investments, OCBC utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. OCBC determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Valuations based on observable inputs (other than Level 1 prices) such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly. OCBC has no Level 2 assets.
- Level 3 Inputs: Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Accordingly, because of the inherent uncertainty of these valuations, these estimated fair values may differ significantly from the values that could have been used had a readily available market for the investments existed, and the differences could be material. OCBC has no Level 3 assets.

The carrying value on the statement of financial position of cash, investments, membership dues receivable, accounts payable, accrued expenses, and certain other liabilities approximate their estimated fair values due to the short-term nature of these instruments.

Cash and Cash Equivalents

OCBC considers cash on hand, deposits in banks, and short-term highly liquid investments with a maturity date of three months or less at the date of acquisition, to be cash and cash equivalents. OCBC maintains its cash in noninterest-bearing transaction accounts and has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. As of December 31, 2025, OCBC possesses no instruments that would be considered cash equivalents.

Investments and Net Asset Classification of Investment Gains and Losses

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the Statement of Financial Position. Investment income, including interest, dividends, and both realized and unrealized gains and losses, is reflected in the Statement of Activities as an increase or decrease in net assets without donor restrictions, unless its use is restricted by explicit donor stipulations or by law.

Membership Dues Receivable, Allowance for Doubtful Accounts and Significant Credit Risk

Effective January 1, 2023, OCBC adopted the new impairment model, known as Current Expected Credit Loss (“CECL”), accounting guidance in Accounting Standards Updated No. 2016-13 (“Topic 326”) and subsequent amendments thereto, which requires OCBC to calculate the expected credit loss at the time of recording the asset by employing historical loss data, future expectations, and forecasts.

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Membership Dues Receivable, Allowance for Doubtful Accounts and Significant Credit Risk (Continued)

Membership dues receivable are stated at the amount management expects to collect from outstanding balances. Significant portions of OCBC’s membership dues receivable are concentrated in the Southern California region. These accounts are subject to the risk of collectability associated with fluctuations in the California State Government and California economies.

The allowance estimate is derived from a review of the OCBC’s historical losses based on the aging of membership dues receivables. This estimate is adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by OCBC, including customers’ credit history or financial condition and industry outlook. OCBC believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as OCBC’s portfolio has been consistent for the past several years. As a result, management has determined that its allowance for credit losses applied to membership dues receivable balances by aging category should be 10% for balances 1 to 30 days past due, 20% for balances 31 to 60 days past due, 40% for balances 61 to 90 days past due, and 50% for more than 90 days past due. The allowance for credit losses amounted to approximately \$27,000 as of December 31, 2025.

OCBC writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery or after all attempts at collections have been pursued. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity’s accounting policy election. OCBC recorded bad debt expense of \$296,874 during the year ended December 31, 2025.

Net membership dues receivable was \$544,769 and \$552,975 as of December 31, 2025 and January 1, 2025, respectively.

Right-of-Use Assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost net of accumulated amortization, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset. OCBC has elected not to recognize lease liabilities and right-of-use assets with an initial term of 12 months or less (“short-term lease”) in the statement of financial position.

Right-of-use assets are amortized on a straight-line basis over the unexpired period of the lease or the

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-Use Assets (Continued)

estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the amortization is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Property and Equipment

Acquisitions of office furniture and equipment in excess of \$5,000 are capitalized. Office furniture and equipment are stated at cost or estimated cost. Donated assets are recorded at fair market value at the time of donation. Depreciation of office furniture and equipment is provided over estimated useful lives up to a maximum of three years using the straight-line method. The cost of normal maintenance and repairs is charged against revenue as incurred.

When property is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in OCBC's statement of activities.

Accrued Vacation

Full-time employees of OCBC earn between 12 to 20 paid-time-off days annually, depending upon years of service. Employees may not carry more than their annual accrual amount from one calendar year to the next, depending upon years of service. Part-time employees scheduled for a minimum of 30 hours per week are also provided vacation hours on a prorated basis. Unused vacation will be paid in full at the time of termination.

Lease Liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, OCBC's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease Liabilities (Continued)

down. OCBC elected the practical expedient that allows lessees to choose to not separate lease and nonlease components by class of underlying asset and are applying this expedient to all relevant asset classes. OCBC has also elected the practical expedient package to not reassess at adoption (i) expired or existing contracts as to whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial indirect costs for existing leases.

Income Taxes

OCBC has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in §501(c)(6) of the Internal Revenue Code (“IRC”) and is exempt from federal and state income taxes on related income pursuant to §501(a) of the IRC and California Revenue and Taxation Code §23701.

OCBC utilizes a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. Adoption of such guidance did not have a material effect to the financial statements.

As of December 31, 2025, there were no uncertain positions. Management believes that OCBC is no longer subject to income tax examinations for the years prior to 2021.

Net Assets Classification

Net assets, revenues, gains and losses, are classified based on the existence or absence of donor or grantor-imposed restrictions. Net assets are classified and reported as follows:

Net Assets Without Donor Restrictions include net assets not restricted by donors (or grantors) or for which the donor-imposed restrictions have expired. Net assets without donor restrictions may be expendable for any purpose in performing the primary objectives of OCBC.

Net Assets With Donor Restrictions include those assets subject to restrictions imposed by donors (or grantors). Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources may be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets Classification (Continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. All net assets without donor restrictions reported represent unrestricted resources over which the Board of Directors had discretionary control and were used to carry out operations of OCBC in accordance with its bylaws.

Revenues from Membership Dues

OCBC includes revenue from annual membership dues within membership dues revenue. Membership dues revenue is recognized ratably over the period of service provided. OCBC receives a significant amount of revenue from membership dues, which represents approximately 47% of total revenues for the year ended December 31, 2025. Membership dues receivable are reported at net realizable value.

Revenues from Programs and Events and Special Projects

Revenue from programs and events from the members for conferences, programs, and special events is reported at the amount that reflects the consideration to which OCBC expects to be entitled in exchange for providing the conferences, programs, and special events to the members. Revenue is recognized as performance obligations are satisfied, which is when the conference, program and special events took place. Any unearned amounts for payment received in advance for payments received are included in deferred revenue.

Revenue from special projects with grantors or other organizations is reported at the amount that reflects the consideration to which OCBC expects to be entitled in exchange for providing the specified activities. Revenue is recognized as performance obligations are satisfied, which is when the expenditures for the specified activities are incurred. Documentation showing actual costs expended is included when submitting a quarterly report for reimbursement. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as deferred revenue.

Because all of its performance obligations relate to contracts with a duration of one year or less, OCBC has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to providing the

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues from Programs and Events and Special Projects (Continued)

programs, events, special projects and contracted services. The performance obligations for these contracts are generally completed when the programs, events, special projects are completed.

Contributions with and without Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages, employee benefits, payroll taxes, building rental, and insurance are allocated to each component of the activity based on a ratio that uses estimates of costs of items included in joint costs that would have been incurred had the components been conducted independently. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses for the year ended December 31, 2025. Accordingly, certain costs have been allocated between program services, general and administrative, and membership development expenses based on actual charges.

NOTE 3 – LIQUIDITY AND AVAILABILITY

OCBC has \$624,073 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$79,304 and net membership dues receivable of \$544,769 as of December 31, 2025. Investments are designated by the Board to be reserved and not included in the financial assets available for general expenditures.

The net membership dues receivable is subject to implied time restrictions but are expected to be collected within one year. OCBC has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 60 days of normal operating expense, which are, on average, approximately \$500,000. OCBC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, OCBC invests cash in excess of daily requirements in various short-term investments, such as mutual funds.

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 4 – INVESTMENTS

Investments are reported at fair market value and are comprised of the following as of December 31, 2025:

Mutual funds	\$ <u>698,877</u>
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As of December 31, 2025, OCBC’s cash and mutual funds were classified as Level 1 within the fair value hierarchy. Investment income for the year ended December 31, 2025 included realized and unrealized gains of \$51,039 and \$11,536, respectively.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2025:

Furniture and office equipment	\$ 116,879
Less accumulated depreciation	(<u>78,360</u>)
	<u>\$ 38,519</u>

Depreciation expense charged to operations was \$17,126 for the year ended December 31, 2025.

NOTE 5 – DEFERRED REVENUE

Deferred revenue relates to membership dues, advertisement fees for the annual report, and event fees which customers have elected to apply to future periods.

NOTE 6 – ACCRUED VACATION

OCBC is responsible for accrued vacation payable. The liability for accrued vacation is recorded in the statement of financial position at year-end for all employees who have earned vacation days and is expensed in the year in which it was earned. Total accrued vacation payable as of December 31, 2025 was \$78,805 and is included in accounts payable and accrued expenses in the statement of financial position.

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 7 – FINANCE AND OPERATING LEASES

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Right of use ("ROU") assets represent the right to use an underlying asset for the lease term, and lease liabilities represent OCBC's obligation to make lease payments. Finance and operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. For leases that do not provide an implicit rate, OCBC has elected to use a risk-free discount rate of a period comparable with that of the lease term for computing the present value of lease liabilities. The operating ROU asset also includes any lease payments and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that OCBC will exercise that option. Lease expense for lease payment is recognized on a straight-line basis over the lease term.

None of OCBC's lease agreements contain any material residual value guarantees or material restrictive covenants. In the normal course of business, it is expected that these leases will be renewed or replaced by leases on other properties and equipment. Only lease options that OCBC believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

OCBC has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For all classes of underlying assets, OCBC accounts for the lease and non-lease components as a single lease. Additionally, OCBC applies a portfolio approach to account for the finance and operating lease ROU assets and liabilities.

OCBC does not have any leases with terms less than 12 months. If OCBC enters into any lease in the future with terms less than 12 months, OCBC will elect to apply the short-term lease exception and recognize the lease in operating expense on the straight-line basis.

Finance Lease

OCBC's finance lease is included in property and equipment and finance lease liability in the statement of financial position. Under OCBC's depreciation policy, and the lease term is used for the amortization life of lease assets. In finance lease agreements where a purchase option is reasonably certain to be exercised, the economic life of the asset will be used for the amortization life in lieu of the lease term.

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 7 – FINANCE AND OPERATING LEASES (CONTINUED)

Finance Lease (Continued)

OCBC leased certain equipment under a non-cancelable long-term finance lease. The lease required minimum monthly rental payments of \$1,362. The lease was terminated in July 2025. Total rent expense was approximately \$10,000 for the year ended December 31, 2025.

OCBC leases certain equipment under a non-cancelable long-term finance lease. The lease requires minimum monthly rental payments of \$755 through July 2030. Following the term of the lease, the agreement will automatically renew on a month-to-month basis. Total rent expense was approximately \$4,000 for the year ended December 31, 2025.

The following summarizes the line items in the statement of financial position which include amounts for the finance lease as of December 31, 2025:

Finance lease in property and equipment, net	<u>\$ 38,519</u>
Lease liability – current maturities of finance lease liability	\$ 7,730
Lease liability – finance lease liability, less current maturities	<u>30,274</u>
Total finance lease liability	<u>\$ 38,004</u>

The finance lease asset is recorded net of accumulated amortization of \$2,751 as of December 31, 2025.

The following summarizes the line items in the statement of activities which include the components of finance lease amortization expense and interest expense for the year ended December 31, 2025:

Finance lease amortization expense, included in program services, general and administrative, and membership development expenses	\$ 17,126
Interest, included interest expense	<u>1,590</u>
Net finance lease cost	<u>\$ 18,716</u>

Future undiscounted lease payments for finance leases with initial terms of one year or more as of December 31, 2025 are as follows:

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 7 – FINANCE AND OPERATING LEASES (CONTINUED)

Finance Lease (Continued)

Year ending December 31,

2026	\$ 9,058
2027	9,058
2028	9,058
2029	9,058
2030	<u>5,284</u>
Total undiscounted lease payments	41,516
Less imputed interest	(<u>3,512</u>)
	<u>\$ 38,004</u>

The following summarizes cash flow information related to the finance lease for the year ended December 31, 2025:

Cash paid for amounts included in measurement of lease liability:	
Financing cash flows from finance lease	<u>\$ 14,738</u>
ROU assets obtained in exchange for lease liabilities:	
Finance lease	<u>\$ 44,076</u>

The following summarizes the weighted average remaining finance lease term and discount rate as of December 31, 2025:

Finance lease weighted average remaining lease term	4.7 years
Finance lease weighted average discount rate	3.85%

Operating Lease

OCBC's operating lease is included in operating lease right of use asset and operating lease liability in the balance sheet. The lease term is used for the amortization life of lease assets.

The operating lease ROU asset includes any lease payments made and exclude any lease incentives. Lease expense for the operating lease is recognized on a straight-line basis over the lease term.

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 7 – FINANCE AND OPERATING LEASES (CONTINUED)

Operating Lease (Continued)

OCBC leased its office facility under a non-cancelable long-term operating lease. The lease required minimum monthly rental payments of \$17,228 through September 2025. In September 2025, the lease was terminated. Total rent expense was approximately \$155,000 for the year ended December 31, 2025.

In September 2025, OCBC entered into a non-cancelable long-term operating lease for its office facility. The lease requires monthly rental payments of \$9,750 through April 2026, \$10,153 from May 2026 to March 2027, and \$10,555 from April 2027 through April 2028. Total rent expense was approximately \$39,000 for the year ended December 31, 2025.

The following summarizes the line items in the statement of financial position which include amounts for the operating lease as of December 31, 2025:

Operating lease right of use asset	<u>\$ 283,476</u>
Lease liability – current maturities of operating lease liability	\$ 112,069
Lease liability – operating lease liability, less current maturities	<u>163,013</u>
Total operating lease liability	<u>\$ 275,082</u>

The following summarizes the line items in the statement of activities which include the components of operating lease expense for the year ended December 31, 2025:

Operating lease, included in program services, general and administrative, and membership development expenses	<u>\$ 169,029</u>
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Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2025 are as follows:

<u>Year ending December 31,</u>	
2026	\$ 120,224
2027	125,052
2028	<u>42,220</u>
Less imputed interest	(<u>12,414</u>)
	<u>\$ 275,082</u>

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 7 – FINANCE AND OPERATING LEASES (CONTINUED)

Operating Lease (Continued)

The following summarizes cash flow information related to the operating lease for the year ended December 31, 2025:

Cash paid for amounts included in measurement of lease liability:	
Operating cash flows from operating lease	\$ <u>172,091</u>
ROU assets obtained in exchange for lease liabilities:	
Operating lease	\$ <u>311,427</u>

The following summarizes the weighted average remaining operating lease term and discount rate as of December 31, 2025:

Operating lease weighted average remaining lease term	2.33 years
Operating lease weighted average discount rate	3.63%

NOTE 8 – RETIREMENT PLAN

OCBC provides its employees with a tax-deferred 401(k) Retirement Plan (the “Plan”). Employees are eligible after six months of employment with OCBC to contribute to the Plan. OCBC contributes 3% of the employees’ base salary automatically and matches up to an additional 2% for any employee contributions. The employees’ maximum annual tax deferred contribution is the greater of 15% or \$23,000 (\$30,500 if the employee is 50 years old or older) for the year ended December 31, 2025. The employer contribution is fully vested after six years of employment. During the year ended December 31, 2025, OCBC made contributions to the Plan in the amount of \$71,131.

NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS

For the year ended December 31, 2025, changes in net assets with donor restrictions were as follows:

	January 1, <u>2025</u>	<u>Contributions</u>	<u>Release from Restrictions</u>	December 31, <u>2025</u>
Housing Trust:	\$ <u>19,851</u>	\$ <u>-</u>	(\$ <u>19,851</u>)	\$ <u>-</u>

The Housing Trust is to account for contributions received for exploration of options to address homelessness in Orange County. The donor restriction is released upon incurring expenses to provide

ORANGE COUNTY BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)

permanent supportive and affordable housing in Orange County.

NOTE 10 – SUBSEQUENT EVENTS

OCBC entered into a settlement and release agreement with a former employee resolving all outstanding claims regarding employment separation. Pursuant to the agreement, OCBC will pay a total settlement of approximately \$23,000. Because this dispute arose and the settlement was reached subsequent to the December 31, 2025, no liability or expense related to this settlement has been recognized in the accompanying financial statements.

Subsequent events have been evaluated by management through June 16, 2026, the date these financial statements were available to be issued. Except as stated above, no material subsequent events have occurred since December 31, 2025 that require recognition or disclosure in the current period's financial statements.

June 23, 2026

To the Board of Directors
Orange County Business Council

We have audited the financial statements of Orange County Business Council (“OCBC”) as of and for the year ended December 31, 2025 and have issued our report thereon dated June 16, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 1, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of OCBC solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a material weakness and significant control deficiencies noted during our audit in a separate letter to you dated June 23, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- a. Management override of internal controls due to management's unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- b. Improper revenue recognition, whether due to fraud or error.
- c. Improper valuation of the allowance for doubtful accounts.

No fraud or suspected fraud was identified during our audit. Management override and revenue recognition risks identified during planning were addressed through audit procedures, and no reportable fraud matters were identified.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by OCBC is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. Significant sensitive estimates affecting the financial statements as of and for the year ended December 31, 2025 includes management's valuation of the allowance of doubtful accounts.

Management's estimate for the allowance estimate is derived from a review of the OCBC's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events,

and any other factors deemed relevant by OCBC, including customers' credit history or financial condition and industry outlook. OCBC believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as OCBC's portfolio has been consistent for the past several years. As a result, management has determined that its allowance for credit losses applied to membership dues receivable balances by aging category should be 10% for balances 1 to 30 days past due, 20% for balances 31 to 60 days past due, 40% for balances 61 to 90 days past due, and 50% for more than 90 days past due. We evaluated the factors and assumptions used to develop the allowance estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting OCBC relate to fair value measurements and the allowance estimate for doubtful accounts, which are included in Note 2.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified during our audit of the year ended December 31, 2025.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We have previously provided to you a listing of all material, corrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the OCBC's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated June 16, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Orange County Business Council, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the OCBC's auditors.

This information is intended solely for the use of the Board of Directors and management of Orange County Business Council and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Talley, LLP". The signature is written in a cursive, professional style.

Talley, LLP
Orange, California

June 23, 2026

Orange County Business Council
Frank McEnulty, CFO

Dear Frank:

In planning and performing our audit of the financial statements of Orange County Business Council (“OCBC”) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we consider the OCBC’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we do not express an opinion on the effectiveness of OCBC’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies are attached to this letter.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonable possible.* The change of the future event or events occurring is more remote but less than likely.
- *Probable.* The future event or events are likely to occur.

A significant deficiency is a deficiency or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies summarized in the attached “Significant Deficiencies” report to be significant deficiencies.

None of the identified significant deficiencies are considered to be material weaknesses.

This communication is intended solely for the information and use of management, the Board of Directors, and others within OCBC and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in blue ink that reads "Talley, LLP". The signature is written in a cursive, professional style.

Talley, LLP
Orange, California

Orange County Business Council
Significant Deficiencies
December 31, 2025

Lack of Formal Control Documentation

Finding:

During the course of our audit it was noted that OCBC does not have formal documentation of control procedures for significant accounting areas such as the cash receipts, cash disbursements, revenue recognition, and financial statement close processes.

Recommendation:

We suggest OCBC formally document control process for key audit processes as noted above. Control processes should be implemented along with proper approvals which would allow the auditor to perform adequate walkthrough procedures of key accounting processes.

Management's Response:

Management agrees with our recommendation and is working to implement.

Reliance on Auditor for Implementation and Ongoing Compliance with Accounting Standards

Finding:

During the course of our audit, it was noted that OCBC relied on the auditor to assist with the ongoing compliance with ASC 842, "Leases", which included proposing journal entries.

Recommendation:

We suggest the person within the accounting department who has been assigned the responsibility of reviewing significant accounting policies continues to maintain up to date knowledge on key accounting areas as to ensure the entity remains compliant with applicable accounting standards.

Management's Response:

Management agrees with our recommendation and is working to implement.

Orange County Business Council
Statement of Activity
January-May, 2026

	Total
<hr/>	
Revenue	
400 Investments	
402 Investments - Platinum	50,000.00
403 Investments - Gold	940,930.00
404 Investments - Silver	196,666.00
405 Investments - Bronze	205,083.35
406 Investments - Other	37,500.00
407 Investment Discounts	-202,475.00
430 2025 Deferred Income	357,250.02
430 2026 Deferred Investment Revenue	-178,299.74
Total for 400 Investments	\$1,406,654.63
440 FDI Committee	2,000.00
488 Grant Income and Expenses	10,000.00
Operating Income	10,000.00
Program/Event Income	1,950.00
502 Exclusive Title Sponsor	65,000.00
504 Platinum Sponsor	20,000.00
506 Exclusive VIP Reception Sponsor	10,000.00
508 Gold Sponsor	48,000.00
512 Silver Sponsor	83,000.00
516 Bronze Sponsor	74,950.00
518 Discounted Bronze Sponsor	17,000.00
524 Corporate Sponsor	6,620.00
528 Member Table	32,050.00
529 Non-Member Table	2,500.00
532 Member Ticket	24,680.00
534 Non-Member Ticket	10,050.00
539 Service/Fee Income	2,103.68
Total for Program/Event Income	\$397,903.68
Trip Income	
560 Complete trip packages (hotel, meals, sessions) members	12,400.00
564 Complete trip packages (hotel, meals, sessions) non-members	1,635.00
566 Meals & Materials Only Package	7,125.00
570 Exclusive Title Sponsor	15,000.00
574 Exclusive Lunch Day 1 Sponsor	5,000.00
576 Exclusive Lunch Day 2 Sponsor	5,000.00
580 Issue Sponsors	11,200.00
Total for Trip Income	\$57,360.00
Total for Revenue	\$1,883,918.31
Gross Profit	\$1,883,918.31

Expenditures

Operating Expenses

704 Bank Service Charges	2,837.86
705 QuickBooks Payment Fees	1,982.14
706 Committee Expenses	1,051.75
710 Dues/Contributions/Subscriptions	12,606.64
712 Equipment	3,337.20
718 Insurance - Liability	11,306.00
726 Meals & Entertainment	4,116.02
733 Internet	16,378.91
734 Postage	107.22
736 Printing	9,880.58
738 Professional Conferences	10,680.00
740 Professional Fees	211,026.18
744 ComputerServices	4,085.98
748 Publications	3,007.46
750 Rent & Parking	82,055.26
755 Software Expenses	10,504.26
756 Supplies	2,211.25
758 Telephone	707.78
765 Training and Education	269.80
766 Travel/Auto	7,728.13
768 Web Hosting	5,650.00

Total for Operating Expenses \$401,530.42

Other Expense

920 Investment Expense	2,796.85
------------------------	----------

Total for Other Expense \$2,796.85

Payroll expenses

600 Salaries	711,574.90
610 Payroll Taxes - Employer	61,988.61
615 Medical Insurance	43,415.74
625 Workers' Compensation Ins.	2,139.90
630 401 (K) Plan	35,735.43
633 Insperity Fees	14,772.39

Total for Payroll expenses \$869,626.97

Program/Event Expenses

802 Audio/Visual	1,958.92
804 Awards/Plaques	2,049.85
810 Boards	151.52
812 Centerpieces	3,234.46
814 Chair/Speaker Gifts	815.00
816 Credit card fees	5,536.77
826 Furniture and Linen Rentals	425.73
828 Misc.	675.48
832 Photography and Videography	2,500.00
836 Programs	\$0.00
842 Room Rental Fees for Venue or Storage	300,598.23
854 Volunteer/Staff Food/Snacks	255.83

Total for Program/Event Expenses \$318,201.79

Trips Expense	
862 Airfare	586.80
866 Boards	786.56
876 Employee expense reimbursements	357.27
878 Ground transportation	1,808.70
880 Hotel Rooms - Staff & Attendees	2,745.24
886 Photography	5,000.00
888 Printed Materials	1,896.56
890 Printing	1,635.29
894 Staff Lunch/Dinners	493.12
Total for Trips Expense	\$15,309.54
Total for Expenditures	\$1,607,465.57
Net Operating Revenue	\$276,452.74
Other Revenue	
Other Income	
489 Net Catalyst Grants	350,792.26
491 Investment Income	9,171.96
492 Other Income	578.79
494 Reimbursements	50.24
495 Research	8,500.00
498 Unrealized Gain/Loss on Investment	7,936.09
Total for Other Income	\$377,029.34
Total for Other Revenue	\$377,029.34
Other Expenditures	
997 Bad Debts Expense	187,233.00
Total for Other Expenditures	\$187,233.00
Net Other Revenue	\$189,796.34
Net Revenue	\$466,249.08

Accrual Basis Thursday, July 06, 2026

Orange County Business Council
Statement of Financial Position
As of Jul 2, 2026

	Total
Assets	
Current Assets	
Bank Accounts	
Cash Accounts	
100 Cash - US Bank	304,876.55
102 Chino Commercial Bank	7,323.80
127 Investments - Merrill Lynch	522,023.34
Total for Cash Accounts	\$834,223.69
Total for Bank Accounts	\$834,223.69
Accounts Receivable	
Accounts Receivable (A/R)	978,288.30
Total for Accounts Receivable	\$978,288.30
Other Current Assets	
Other Assets	
145 Allowance for Doubtful Accts.	-26,610.45
180 Prepaid Expenses	500.00
Total for Other Assets	-\$26,110.45
Payments to deposit	88,950.00
Stripe - minimum balance hold/payout	-19,982.78
Total for Other Current Assets	\$42,856.77
Total for Current Assets	\$1,855,368.76
Fixed Assets	
Fixed Assets	
150 Furniture and Equipment	80,070.50
160 Accumulated Depreciation	-80,070.50
170 Right-to-Use Lease Asset - Buildings-Imp	386,729.00
171 Accum Amort RTU Build and Impr	-54,156.00
172 RTU Lease Asset Furniture and Equipment	44,076.00
173 Accum Amort RTU Furn and Equip	-3,917.97
Total for Fixed Assets	\$372,731.03
Total for Fixed Assets	\$372,731.03
Total for Assets	\$2,228,099.79

Liabilities and Equity

Liabilities

Current Liabilities

Accounts Payable (A/P) 202,114.43

Total for Accounts Payable \$202,114.43

Other Current Liabilities

218 Deferred Revenue - Housing Trust 19,850.50

Current Liabilities

208 Deferred Revenue - Investment Income 521,985.86

216 Accrued Vacation Payable 78,804.87

225 Payable to BIZPAC 13,285.18

230 Right-to-Use Lease Liability 121,332.00

235 Right-to-Use Finance Lease 40,158.03

Total for Current Liabilities \$775,565.94

Total for Other Current Liabilities \$795,416.44

Total for Current Liabilities \$997,530.87

Long-term Liabilities

Long-Term Liabilities

255 RTU Finance Lease 211,241.00

Total for Long-Term Liabilities \$211,241.00

Total for Long-term Liabilities \$211,241.00

Total for Liabilities \$1,208,771.87

Equity

300 Retained Earnings - Prior -14,036.79

305 Retained Earnings - Current - If needed -13.46

310 Retained Earnings - BIZ Legal Fund 65,175.00

Total for Equity \$51,124.75

Retained Earnings 140,761.72

Net Revenue 827,441.45

Total for Equity \$1,019,327.92

Total for Liabilities and Equity \$2,228,099.79

AMENDED AND RESTATED BYLAWS

OF THE

ORANGE COUNTY BUSINESS COUNCIL

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**AMENDED AND RESTATED BYLAWS
OF THE
ORANGE COUNTY BUSINESS COUNCIL
a California Nonprofit Mutual Benefit Corporation**

ARTICLE I
GENERAL

These bylaws shall govern the conduct and operation of the Orange County Business Council, a California nonprofit mutual benefit corporation (the "Corporation"), subject to the provisions of the California Corporations Code and the Corporation's articles of incorporation ("Articles of Incorporation").

ARTICLE II
NAME

The name of the Corporation shall be the Orange County Business Council (the "Corporation").

ARTICLE III
OFFICES

The principal executive office for the transaction of the business of the Corporation is located at 2 Park Plaza, Suite 100, Irvine, California 92614. The board of directors (the "board") is granted full power and authority to change the principal executive office from one location to another. Any such change shall be noted by the secretary on these bylaws opposite this Article III, or this Article III may be amended to state the new location.

ARTICLE IV
MEMBERSHIP

SECTION 1. ENTITY MEMBERSHIPS; MEMBER REPRESENTATIVE

It is the general policy of the Corporation that, unless the board determines otherwise, memberships shall be held by business entities, public and charitable entities, and governmental bodies and agencies, and not by individuals. Memberships shall be held of record in the name of each member entity, with each member entity designating a member representative (its "member representative"), which member representative, or its designated alternate, shall be authorized to act on behalf of such member entity. All memberships shall be of one class.

SECTION 2. FEES, DUES, AND ASSESSMENTS

(a) General Rules. Upon becoming a member of the Corporation, such member shall (i) pay such initiation fee as shall be set by the board from time to

time, and (ii) shall pay dues on an annual basis, payable on each anniversary of its membership date, in accordance with the schedule of dues set by the board.

(b) Board Authority. The board is granted full authority to change the amount and time of payment of initiation fee and dues from time to time and to set a schedule of dues which differentiates among the members upon such basis as the board in its good faith discretion shall determine. The schedule of dues shall be noted by the secretary of the Corporation in the minutes or other records of the Corporation. The board may from time to time assess additional amounts to be paid by members for special projects.

SECTION 3. TERMINATION OF MEMBERSHIP

The membership of any member shall terminate upon occurrence of any of the following events, and in no event will there be a refund of any fees or dues paid upon any such termination: (i) the resignation of the member; (ii) expiration of the period of membership, unless the member sooner renews for a subsequent period on the renewal terms set by the board; (iii) for nonpayment of dues or any other indebtedness to the Corporation, upon the determination by the board or a committee designated by the board to make such determination; or (iv) for the failure of a member in a material and serious degree to observe the rules of conduct of the Corporation, or for the engagement of a member in conduct inimical to the interests of the Corporation, in either case upon the determination of the board or of a committee designated by the board to make such determination.

ARTICLE V MEETINGS OF MEMBERS

SECTION 1. PLACE OF MEETING

Meetings of the membership shall be held at any place within or outside the State of California designated by the board. In the absence of any such designation, members' meetings shall be held at the principal executive office of the Corporation.

SECTION 2. ANNUAL MEETING

Unless otherwise determined by the board, the Corporation shall hold an annual meeting of the members each year, at a time and date to be established by the board. At the board's discretion, such annual meeting may be held in conjunction with a dinner meeting and may be conducted according to such informal procedure as the board shall determine. The board shall not be required to submit any matters for vote at the annual meeting.

SECTION 3. SPECIAL MEETING

(a) Authorized persons who may call. A special meeting of the members may be called at any time by any of the following: the board, the chairperson of the board, the president, or a majority of the members.

(b) Calling meetings by members. If a special meeting is called by a majority of the members, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairperson of the board, the president, any vice-chairperson, or the secretary of the Corporation. The officer receiving the request shall cause notice to be promptly given to all members entitled to vote, in accordance with the provisions of Section 4 of this Article V, that a meeting will be held, and the date for such meeting, which date shall be not less than 5 nor more than 60 days following the receipt of the request. If the notice is not given within the 20 days after receipt of the request, the members requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of members may be held when the meeting is called by action of the board, the chairperson or the president.

SECTION 4. NOTICE OF MEMBERS' MEETINGS

(a) General notice contents. All notices of meetings of members shall be sent or otherwise given in accordance with Section 4(b) of this Article V not less than 10 nor more than 90 days before the date of the meeting. The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may then be transacted at the meeting, or (ii) in the case of the annual meeting, those matters which the board, at the time of giving the notice, intends to present for action by the members, but, subject to the provisions of applicable law, any proper matters may be presented at the meeting for such action.

(b) Manner of giving notice. Notice of any meeting of members shall be given either personally, orally or by first-class mail, telegraphic or other written communication, charges prepaid, addressed to each member either at the address of that member appearing on the books of the Corporation or the address given by the member to the Corporation for the purpose of notice. If no address appears on the Corporation's books and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail or telegraphic or other written communication to the Corporation's principal executive office, or (ii) notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone, to the recipient or to a person who the person giving the notice has reason to believe will promptly communicate it to the recipient.

SECTION 5. QUORUM

(a) Members required. The presence, in person or by proxy, of twenty-five (25) members of the Corporation shall constitute a quorum for the transaction of business at a meeting of the members.

(b) Loss of quorum. The members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

SECTION 6. VOTING

(a) Eligibility to vote. The members entitled to vote at any meeting of members shall be members as of the date determined in accordance with Section 8 of this Article V, subject to the provisions of the California Corporations Code; provided, however, that members who fail to be in good standing shall not be entitled to vote on any matter. Any member who shall be in arrears in the payment of any installment of fees, periodic dues or assessments for an unreasonable period of time, as determined by the board, after their due date, shall not be in good standing and shall not be entitled to vote as a member. Subject to the provisions of Section 7612 of the California Corporations Code, and the provisions of this Section 6, each member shall be entitled to one (1) vote on each matter submitted to a vote of the members.

(b) Manner of casting votes. Members entitled to attend meetings and/or to vote shall have the right to do so either in person through such member's member representative or designated alternate, by written ballot, or by written proxy pursuant to Section 9 of this Article V, provided that any election of directors must be by ballot if demanded by any member before the voting begins.

(c) Vote required. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting in person or by proxy, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by classes is required by the California Corporations Code or by the Articles of Incorporation.

SECTION 7. ACTION BY WRITTEN CONSENT WITHOUT A MEETING

(a) General. Any action that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice upon compliance with the provisions of this section.

(b) Quorum; majority. Approval by written consent or ballot pursuant to this section shall be valid only when the number of votes cast by written consent or ballot within the time specified equals or exceeds the quorum that would be required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of members present was the same as the number of votes cast by written consent or ballot.

SECTION 8. RECORD DATE FOR MEMBER NOTICE, VOTING, AND GIVING CONSENTS AND OTHER ACTIONS

(a) To be determined by board. For the purposes of determining which members are entitled to receive notice of any meeting, to vote, to give consent to corporate action without a meeting, or to take other action, the board may fix, in advance, a "record date," which shall not be more than sixty (60) nor fewer than ten (10) days before the date of any such meeting, nor more than sixty (60) days before any such action without a meeting. Only members of record on the date so fixed are entitled to notice, to vote, to give consents, or take other action, as the case may be, notwithstanding any transfer of any membership on the books of the Corporation after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Corporations Code. A determination of members of record entitled to notice of a meeting of members shall apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting. The board shall fix a new record date if the meeting is adjourned for more than forty-five (45) days.

(b) Failure of board to determine date.

(i) Record date for notices. Unless fixed by the board, the record date for determining those members entitled to receive notice of a meeting of members shall be the next business day preceding the day on which notice is given or if notice is waived, the next business day preceding the day on which the meeting is held.

(ii) Record date for voting. If no record date is fixed by the board, members on the day of the meeting who are otherwise eligible to vote shall be eligible to vote or, in the case of an adjourned meeting, such members on the day of the adjourned meeting shall be eligible to vote at the adjourned meeting.

(iii) Record date for written consent to action without meeting. Unless fixed by the board, the record date for determining those members entitled to vote by ballot on corporate action without a meeting, when no prior action by the board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the board has been taken, it shall be the day on which the board adopts the resolution relating to that action.

SECTION 9. PROXIES

(a) Right of Members. Every member entitled to attend meetings and/or to vote shall have the right to do so either in person through such member's member representative or designated alternate or by one or more agents authorized by a written proxy, signed by the member representative or designated alternate and filed with the secretary of the Corporation except as otherwise expressly provided in the Articles of Incorporation of the Corporation or these bylaws. A proxy shall be deemed signed if the

member's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the member or the member's member representative.

(b) Revocability. A validly executed proxy shall continue in full force and effect unless (i) revoked by the member executing it before the vote cast pursuant to that proxy, by a writing delivered to the Corporation stating that the proxy is revoked by a subsequent proxy executed by such member, or by personal attendance and voting at a meeting by such member, or (ii) written notice of the death or incapacity of the maker of the proxy is received by the Corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy. The maximum term of any proxy shall be three (3) years from the date of its execution.

SECTION 10. INSPECTORS OF ELECTION

(a) Appointment. In advance of any meeting of members, the board may appoint inspectors of election to act at the meeting and any adjournment thereof. If the inspectors of election are not appointed, or if any persons appointed fail to appear or refuse to act, the chairperson of such meeting may, and on request of any member or member's proxy must, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. The number of inspectors of election shall be either one (1) or three (3). If the inspectors of election are appointed at a meeting on the request of one or more members or proxies, the majority of members represented in person by such members' member representatives or designated alternates or by proxy shall determine whether one (1) or three (3) inspectors of election are to be appointed.

(b) Duties. The inspectors of election shall perform the following duties: (i) determine the number of voting memberships outstanding and the voting power of each, the number of votes represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies; (ii) receive votes, ballots or consents; (iii) hear and determine all challenges and questions in any way arising in connection with the right to vote; (iv) count and tabulate all votes and consents; (v) determine when the polls shall close; (vi) determine the result of the vote; and (vii) do such acts as may be proper to conduct the election or vote with fairness to all members. The inspectors shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical.

SECTION 11. CONDUCT OF MEETING

The chairperson of the board shall preside as chairperson at all meetings of the members. The chairperson shall conduct each such meeting in a business-like and fair manner but shall not be obligated to follow any technical, formal or parliamentary rules or principles of procedure. The chairperson's rulings on procedural matters shall be conclusive and binding on all members, unless at the time of a ruling a request for a vote regarding such a procedural matter is made to the members entitled to vote. The decision of a majority of such members regarding such procedural matter shall be conclusive and

binding on all members. Without limiting the generality of the foregoing, the chairperson shall have all of the powers usually vested in the chairperson of a meeting of members.

ARTICLE VI
DIRECTORS

SECTION 1. POWERS

(a) General corporate powers. Subject to the provisions of the California Corporations Code and any limitations in the Articles of Incorporation and these bylaws relating to action required to be approved by the members, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board. The board may delegate the management of the activities of the Corporation to any person or persons, a management company, or any committee, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board.

(b) Specific Powers. Without prejudice to the general powers set forth above, and subject to the same limitations, the board shall have the power to:

(i) Select and remove all officers, agents, and employees of the Corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these bylaws; and fix their compensation.

(ii) Conduct, manage and control the affairs and business of the Corporation and to make such rules and regulations as are not inconsistent with the law, the Articles of Incorporation or these bylaws, as they may deem appropriate.

(iii) Adopt, make, and use a corporate seal; prescribe the forms of membership certificates; and alter the form of the seal and certificate.

(iv) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

(v) Manage in the manner they may deem appropriate, and distribute or dispense, all funds and property, real and personal, received, acquired or earned by the Corporation.

(vi) Change the principal executive office or the principal business office in the State of California from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or

outside the State of California; and designate any place within or outside the State of California for the holding of any members' meeting or meetings, including annual meetings.

(vii) Elect any person who has served on the board, or any other person, to the position of honorary director, with such title, if any, as the board may determine. Unless the board shall determine otherwise, such honorary director shall not be a member of the board nor have any of the powers and duties of a director. Such honorary director shall be entitled to attend meetings of the board and any committee thereof and may be given the privilege of the floor at any such meeting but shall not be entitled to vote. The rights and obligations of such honorary director may be altered, and such honorary directorship may be terminated, by the board.

SECTION 2. NUMBER AND QUALIFICATION OF DIRECTORS

(a) General Provisions. The authorized number of directors of the Corporation shall be not less than twenty (20) and not more than fifty (50) unless changed by amendment of the Articles of Incorporation or by an amendment to these bylaws. The exact number of directors shall be fixed from time to time within the limits specified in this Section by action of the board and shall be duly recorded in the minutes of the board or by a Bylaw or amendment thereof duly adopted by the board. The president shall be a director so long as he or she shall hold the office of president. Each other director of the Corporation shall be affiliated with a member of the Corporation; and if such membership or such affiliation shall cease, such director shall at the discretion of the board be subject to termination. It is the general policy of the Corporation, unless the board determines otherwise in its discretion, that a director shall be a chief executive officer, president, managing partner, or other senior executive of a member entity, with authority to make commitments for such member entity, and that the Board shall seek diversification of its directors with respect to company size, location, industry representation, gender and ethnicity. The nomination of a prospective director by the board or the nominating committee shall be conclusive determination that such nominee fulfills the qualifications of these bylaws to serve as director.

SECTION 3. NOMINATION OF DIRECTORS

The nominating committee shall, annually or otherwise as directed by the board, nominate and submit to the board or the membership the names of those persons who are candidates for director. The persons nominated may include any directors who have held or who currently hold office.

SECTION 4. ELECTION AND TERM OF OFFICE OF DIRECTORS

Each director shall be elected for a three year term or for a shorter term if such director is elected to fill a vacancy with respect to which the unexpired term is less than three years; provided, however, in the event that the chairperson of the board's term

of office coincides with the expiration of such chairperson's term as a director, such term as director shall be extended for one year. Subject to the foregoing, approximately one-third of the directors will be elected each year. All directors shall hold office from January 1 of the first year of their term until December 31 of the last year, or until their successors are elected and take office.

The annual election of directors shall, unless otherwise determined by the board, be conducted by mail. Each member shall be sent a ballot, no later than December 1, unless otherwise determined by the board, setting forth the procedure for the election, the number of directors to be elected, and those persons nominated by the nominating committee as well as blank spaces for write-in candidates. Those persons receiving the highest number of votes shall be elected to the board. Members may not cumulate votes for the election of directors.

SECTION 5. VACANCIES

(a) Events causing vacancy. A vacancy or vacancies in the board shall be deemed to exist on the occurrence of the following: (i) the death or resignation of any director, (ii) the vote of the members to remove a director; (iii) the increase of the authorized number of directors; (iv) the failure of the members, at any election of members, to elect the number of directors to be elected at such meeting; or (v) the failure of any director to attend five (5) consecutive regular meetings of the board and the subsequent vote of the remaining directors to remove such director.

(b) Vacancies filled by directors. A vacancy in the board occurring as a result of events set forth in Section 5(a) of this Article VI shall be filled by (i) the nomination of the nominating committee or the chairperson, and (ii) the vote of the directors, or by the sole remaining director.

SECTION 6. PLACE OF MEETINGS; MEETINGS BY TELEPHONE

Meetings of the board may be held at any place within or outside the State of California that has been designated from time to time by resolution of the board. In the absence of such designation, meetings shall be held at the principal executive office of the Corporation. Notwithstanding the above provisions of this Section 6, a regular or special meeting of the board may be held at any place consented to in writing by all the board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

SECTION 7. REGULAR MEETINGS

Regular meetings of the board shall be held at least once each calendar quarter at the call of the chairperson of the board, the president, or any four (4) directors. On or before December 1 of each year, the board shall elect officers who shall take office on the following January 1.

SECTION 8. SPECIAL MEETINGS

Special meetings of the board for any purpose may be called at any time by the chairperson or the president, or, by any four (4) directors.

SECTION 9. NOTICE

Notice of the time and place of all meetings of the board except the meeting following the annual meeting of members or the special meeting of members held in lieu of the annual meeting, shall be given personally to the directors or sent to each director by mail or other form of written communication, charges prepaid, addressed to such director's address as it is shown on the records of the Corporation. If the notice is mailed or telegraphed, it shall be deposited in the United States Mail or delivered to the telegraph company in the county in which the principal office of the Corporation is located at least forty-eight (48) hours before the time of the meeting. If the notice is delivered personally to each director, it shall be so delivered at least forty-eight (48) hours prior to the time of the holding of the meeting.

SECTION 10. QUORUM

(a) General Provisions. One-fourth of the number of elected directors, but not less than one-fifth of the number of authorized directors, shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article V. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board, subject to the provisions of the California Corporations Code, including those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

SECTION 11. ADJOURNMENT

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

SECTION 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 13. 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 that action. Such action by written consent shall have the same force and effect as a unanimous vote of the board. Such written consent or consents shall be filed with the minutes of the proceedings of the board.

ARTICLE VII OFFICERS

SECTION 1. OFFICERS

The officers of the Corporation shall be chairperson of the board (sometimes herein referred to as "chairperson"), chairperson elect, one or more vice-chairpersons, president, secretary and treasurer, each of which shall be chosen from the membership of the board. The Corporation may also have, at the discretion of the board, such other officers, with such respective titles and responsibilities, as the board may determine. Any number of offices may be held by the same person, except that the secretary may not serve concurrently as the chairperson of the board.

SECTION 2. ELECTION OF OFFICERS

On or before December 1 of each year, the nominating committee shall nominate and submit to the board the names of those directors who are officer candidates, and the officers of the Corporation shall be elected by the board for the following calendar year, to take office on the following January 1. Each officer shall hold office until such officer resigns, is removed by the board, or is otherwise disqualified to serve, or until such officer's successor is elected and qualified.

SECTION 3. REMOVAL AND DESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the board at any time. Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. The board may elect a successor officer at any time to fulfill the term of any such former officer who has resigned or been terminated.

SECTION 4. RESPONSIBILITIES OF OFFICERS

(a) Chairperson of the board. The chairperson shall preside at all meetings of members and at all meetings of the board, and at the annual meeting of members shall make a report on the general business of the Corporation during the previous year. The chairperson of the board shall nominate all standing committees, and the respective chairpersons of such committees, in accordance with these bylaws, subject to the approval of the board, and shall be an ex-officio member of all committees.

(b) President. The president shall be the chief executive officer of the corporation, and shall, subject to the control of the board, have the responsibility for the general supervision, direction and control of the affairs of the Corporation. The president shall have such other powers and duties as may be prescribed by law, or by the board or these bylaws.

(c) Chairperson Elect. The chairperson elect shall, unless the board shall determine otherwise, serve as chairperson during the year following his or her term as chairperson elect. In the absence or disability of the chairperson, the chairperson elect shall perform all the duties of the chairperson, and when so acting shall have all the powers of, and be subject to all restrictions upon, the chairperson.

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

(e) Secretary. The secretary shall keep at the principal office of the Corporation a book of minutes of all meetings of the board and of the members. The secretary shall maintain a membership book for the Corporation showing the name and address of each member. The secretary shall conduct the official correspondence of the Corporation and shall perform such other duties as may be designated by the board.

(f) Treasurer. The treasurer shall have general charge of the financial records and accounts of the Corporation and shall keep and maintain adequate and correct books of account of its cash and other assets. The treasurer shall deposit all monies of the Corporation with such depositories as are designated by the board and shall disburse the funds of the Corporation as may be ordered by the board. The treasurer shall render to the president or board, on request, statements of the financial condition of the Corporation, provided that statements shall be rendered at least annually.

ARTICLE VIII COMMITTEES

SECTION 1. COMMITTEES

The chairperson of the board shall each year, immediately after the election of such chairperson, appoint, subject to confirmation by the board, those committees which the chairperson of the board determines to be required for the orderly transaction of corporate affairs, and shall determine the membership, responsibilities and governance of each committee. Unless otherwise determined by the board, the president shall be a member of each committee. The members of each such committee shall serve until their resignation, their removal by the chairperson or president, or the next annual meeting of members of the Corporation, whichever first occurs.

SECTION 2. EXECUTIVE COMMITTEE

The board shall be entitled at any time or from time to time to elect an executive committee which, subject to any limitations or restrictions imposed by law, the Articles of Incorporation or these bylaws, shall have such powers as the board may designate.

(a) General Provisions. The executive committee shall consist of not to exceed fifteen (15) members from the board nominated by the nominating committee and approved by the board, which shall include, unless otherwise determined by the board, the president, the chairperson, two vice-chairpersons, the chairperson elect, the immediate past chairperson, the secretary, the treasurer, and not to exceed seven (7) additional directors. Each executive committee shall serve for a one calendar year term, unless otherwise determined by the board.

(b) Meetings. The executive committee shall hold two regular meetings each calendar quarter and shall hold such additional meetings as shall be called by the chairperson, the president or any three executive committee members. The minutes of the executive committee shall be made available to the board, and the executive committee shall be entitled in its discretion to request ratification and/or approval by the board of any action of the executive committee.

(c) Powers. The executive committee shall be authorized to exercise any power and to take any action which could be exercised or taken by the board, including without limitation any authority specifically granted to the board in these bylaws, subject only to such limitations as are required by law or are contained in the Articles of Incorporation and these bylaws, or are otherwise imposed by the board.

SECTION 3. NOMINATING COMMITTEE

(a) General Membership. The nominating committee shall consist of not to exceed seven (7) directors which shall include the president, the chairperson, the chairperson elect, the immediate past chairperson, and not to exceed three (3) other directors recommended by the president and approved by the board.

(b) Responsibilities. The nominating committee shall nominate the directors as provided in Section 3 of Article V of these bylaws, the members of the executive committee as provided in Section 2 of this Article VIII, and the officers pursuant to Section 2 of Article VII of these bylaws, and shall perform such other duties as shall be determined from time to time by the board.

SECTION 4. ADDITIONAL COMMITTEES

The board shall be entitled to create and terminate such additional committees as it shall from time to time deem appropriate, and shall determine the membership, authority and governance of each such committee.

SECTION 5. ALLIANCES AND RELATIONSHIPS

The board shall be entitled from time to time to create, modify and terminate such alliances and relationships, formal or informal (collectively "Alliance" or "Alliances"), with corporations, individuals, charitable organizations, political action committees, governmental agencies or subdivisions, or any other organizations or legal entities as may be deemed by the board to be appropriate. Provided, however, that no such Alliance shall constitute or be deemed to be a partnership, joint venture or any other legal entity without the express written authorization and consent of the board.

ARTICLE IX INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

SECTION 1. DEFINITIONS

For the purpose of this Article,

(a) "agent" means any person who is or was a director, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this Corporation or of another enterprise at the request of the predecessor corporation;

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

(c) "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5 (iii) of this Article IX.

SECTION 2. INDEMNIFICATION IN ACTIONS BY THIRD PARTIES

The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Corporations Code, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did

not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

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

The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Corporations Code or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

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

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

(iii) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

SECTION 4. INDEMNIFICATION AGAINST EXPENSES

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

SECTION 5. REQUIRED DETERMINATIONS

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

circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article IX by:

- (i) A majority vote of a quorum consisting of directors who are not parties to such proceeding;
- (ii) Approval of the members, with the persons to be indemnified not being entitled to vote thereon; or
- (iii) Determination of the court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

SECTION 6. ADVANCE OF EXPENSES

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

SECTION 7. OTHER INDEMNIFICATION

No provision made by the Corporation to indemnify it or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, these bylaws, a resolution of members or directors, an agreement or otherwise, shall be valid unless consistent with this Article IX. Nothing contained in this Article IX shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

SECTION 8. FORMS OF INDEMNIFICATION NOT PERMITTED

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

- (i) That it would be inconsistent with a provision of the Articles of Incorporation, these bylaws, a resolution of the members, 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
- (ii) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

SECTION 9. INSURANCE

The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article IX.

SECTION 10. NONAPPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFITS PLANS

This Article IX does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 1 of this Article IX. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

ARTICLE X AMENDMENTS

SECTION 1. AMENDMENT BY MEMBERS

New bylaws may be adopted or these bylaws may be amended or repealed by (i) the affirmative vote of a majority of a quorum of the members or their proxies at any regular meeting, (ii) by written assent of a majority of a quorum of the members, or (iii) the vote of a majority of a quorum of the members or their proxies at a meeting called for the purpose of adopting new bylaws or amending these bylaws.

SECTION 2. AMENDMENT BY DIRECTORS

The board may adopt new bylaws or amend or repeal these bylaws. Such power is subject to the following limitations:

- (a) An amendment to the bylaws changing the total number or allowable range of authorized directors may not be adopted without:
 - (i) the affirmative vote of a majority of a quorum of the members or their proxies;
 - (ii) written assent of a majority of a quorum of the members; or
 - (iii) the vote of a majority of a quorum of the members or their proxies at a meeting called for the purpose of adopting such amendment.

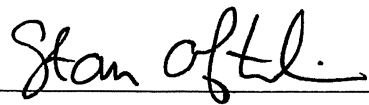
(b) If the Articles of Incorporation or bylaws provide for a variable number of directors within specified limits, the directors may, subject to the other limitations of this Section 2, adopt, amend or repeal a bylaw fixing the exact number of directors within those limits.

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

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of the Orange County Business Council, a California nonprofit corporation, and the above bylaws, consisting of 18 pages, exclusive of the title page, table of contents, and this page, are the bylaws of this Corporation as adopted at a meeting of the board of directors held on November 8, 2001.

DATED: 02.12.02



Secretary