

**BYLAWS OF**  
**JACK LONDON IMPROVEMENT DISTRICT**  
A **California** Public Benefit Corporation

**ARTICLE 1**  
**OFFICES**

**SECTION 1. NAME AND PRINCIPAL OFFICE**

The name of the corporation is JACK LONDON IMPROVEMENT DISTRICT and shall be referred to herein as the “Corporation”. The principal office of the Corporation for the transaction of its business is 580 Second St., Suite 260, Oakland, CA 94607, Alameda County, California.

**SECTION 2. CHANGE OF ADDRESS**

The county of the Corporation’s principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

<u>333 Broadway, Oakland, CA 94607</u>	Dated: <u>June 9</u> 20 <u>14</u>
_____	Dated: _____ 20_____
_____	Dated: _____ 20_____
_____	

**SECTION 3. OTHER OFFICES**

The Corporation may also have offices at such other places, within the City of Oakland, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

**ARTICLE 2**  
**PURPOSES**

**SECTION 1. PURPOSE**

The primary purpose of the Corporation shall be:

The Jack London Improvement District has a mission: To create, promote and maintain an inviting environment for people who visit, live or work in the Jack London District, and build an inclusive and resilient commercial community that values the diverse history, economies, culture and people of this place. Through programs focused on beautification, safety and promotion, we foster economic vitality and quality-of-life in Oakland’s unique, historic urban waterfront community.

SECTION 2. NONPROFIT LIMITATIONS

- (a) The corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.
- (b) Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (2) by a contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.
- (c) No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.
- (d) The property of the Corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of the organization shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. On the dissolution or winding up of the Corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation, shall be distributed to a nonprofit fund, foundation or Corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

**ARTICLE 3  
MEMBERS**

SECTION 1. MEMBERS

The Corporation shall have **zero (0)** Members. Any action which would otherwise require approval by a majority of all Members shall require only approval by the Board. All rights which would otherwise vest in the Members shall vest in the Directors.

**ARTICLE 4  
DIRECTORS**

SECTION 1. NUMBER

The Corporation shall have **five to fifteen (5-15)** directors and collectively they shall be known as the Board of Directors. Each director shall have one vote. The authorized number of Directors shall be fixed from time to time, within the limits specified in this Section, by resolution of the Board. The limits specified in this Section may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws.

SECTION 2. POWERS

Subject to the provisions of the **California** Nonprofit Public Benefit Corporation law, the activities and affairs of this Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

### SECTION 3. DUTIES

It shall be the duty of the Directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of the Corporation, or by these Bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the Corporation;
- (c) Supervise all officers, agents and employees of the Corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these Bylaws;
- (e) Register their addresses, fax numbers, and email addresses with the Secretary of the Corporation and notices of meetings mailed, faxed or emailed to them at such addresses shall be valid notices thereof.

### SECTION 4. QUALIFICATION, ELECTION, AND TERM OF OFFICE

All Directors shall meet the qualifications listed in this section, shall be elected in accordance with this section, and shall serve one or more term as listed below:

- (a) Board members shall represent the diversity of the community served by the District, in particular representation of Black, Indigenous, and People of Color (BIPOC). Each Director must be
  - i) A property owner or the nominee of a property owner within the boundaries of the Jack London Improvement District or
  - ii) An Oakland business licensee or nominee of a business licensee within the boundaries of the district.
  - iii) At least one Director shall be a business licensee or nominee of a business licensee within the district who is not also a property owner within the district.
  - iv) Stakeholders at large who further the mission of the organization
- (b) A call for candidates shall be solicited through direct mail to all members, e-mail, and public posting on website by August 1<sup>st</sup> prior to the meeting of the Board in November. On an annual basis and prior to the November Board Meeting, the Board will assess gaps in community representation and seek to gain input and recruit diverse candidates, in particular representation of BIPOC. Eligible applicants received as of October 15<sup>th</sup> will be considered as candidates.
- (c) Directors shall be elected at a meeting of the Board in November each year, by a majority vote of the Directors then in office, including Directors whose term of office expires with such meeting. Cumulative voting by Directors for the election of Directors shall not be permitted. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected. Each Director shall cast one vote, with voting being by ballot only.
- (d) Each candidate will be offered 1 minute to introduce themselves and their interest in Board membership. Board members will be provided a ballot with the names of the candidates and able to vote for as many candidates as there are seats vacant. A member of the Jack London Improvement District staff will count the votes. In case of a tie, voting Board members will vote in a runoff to determine the final member. Ballots are

anonymous.

- (e) Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.
- (f) Each Director shall hold office for a **term of two years**. A Director may succeed himself or herself in office. There shall be no limit to how many terms any individual may serve on the Board. The term shall begin on the date of the November Board Meeting, and terminate two years later.

#### SECTION 5. COMPENSATION

Directors shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses occurred in attending meetings of the Board of Directors, and notwithstanding the provisions of Article 5, Section 10, of these Bylaws which state, in part, that no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Corporation. In addition, Directors shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the Corporation in any capacity other than Director unless such other compensation is reasonable and is allowable under the provisions of Section 6 of this Article, and Section 10 of Article 5.

#### SECTION 6. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For the purposes of this Section, "interested persons" means either:

- (a) Any person currently being compensated by the Corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or
- (b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

#### SECTION 7. PLACE OF MEETINGS

Meetings shall be held at the principal office of the Corporation unless otherwise provided by the Board or at such place within or without the State of **California** which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held at the principal office of the Corporation shall be valid only if held on the written consent of all Directors given either before or after the meeting and filed with the Secretary of the Corporation or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the Board. Any meeting, regular or special, may be held by conference telephone or similar communication so as long as all Directors participating in such meeting can hear one another.

#### SECTION 8. REGULAR AND ANNUAL MEETINGS

Regular meetings of Directors shall be held not less often than quarterly, on a day and at a time specified by the Board unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on the next business day.

The annual meeting of the Board in 2014 shall be held in the month of November at the principal office of the Corporation. The annual meeting of the Board in 2015 and thereafter shall be held in the month of August at the principal office of the Corporation.

#### SECTION 9. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chairperson of the Board, the President, the Vice President, the Secretary, or by any two Directors, and such meetings shall be held at the place, within or without the State of **California**, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Corporation.

#### SECTION 10. NOTICE OF MEETINGS

Regular and annual meetings of the Board may be held consistent with the open meetings provision of the Ralph M. Brown Act.. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by fax or email.

If sent by mail, the notice shall be deemed to be delivered on its deposit in the mails. If delivered by fax, the notice shall be deemed to be delivered upon the sender's receipt of a confirmation report printed or displayed by the sender's fax machine. If delivered by email, the notice shall be deemed to be delivered immediately upon the sender's execution of the delivery. Such notices shall be addressed to each Director at his or her mailing address, fax number or email address as shown on the books of the Corporation.

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

#### SECTION 11. CONTENTS OF NOTICE

Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any Board meeting need not be specified in the notice.

#### SECTION 12. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each Director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. And such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

#### SECTION 13. QUORUM FOR MEETINGS

A majority of the authorized number of Directors shall constitute a quorum of the Board for the transaction of business. Except as otherwise provided in these Bylaws or in the Articles of

Incorporation of the Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as herein defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such meeting may adjourn and set another meeting before time fixed for the next regular meeting of the Board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such next meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 10 of this Article.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of the Corporation.

#### SECTION 14. MAJORITY ACTION AS BOARD ACTION

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 is the act of the Board of Directors, unless the Articles of Incorporation or Bylaws of the Corporation, or provisions of the **California** Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

#### SECTION 15. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, the President of the Corporation or, in his or her absence, by the Vice President of the Corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the Directors present at the meeting.

The Secretary of the Corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by Roberts Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of the Corporation, or with provisions of law.

#### SECTION 16. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the Board" shall not include any "interested Director" as defined in Section 5233 of

the **California** Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be submitted by fax, mail, or email, and shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of the Corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

#### SECTION 17. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any Director, and (2) whenever the number of authorized Directors is increased.

The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the **California** Nonprofit Public Benefit Corporation Law, or has missed fifty percent (50%) of the meetings of the Board within a twelve (12) month period, or three consecutive meetings of the Board. Directors may be removed without cause by a majority of the Directors then in office.

Any Director may resign effective upon giving written notice to the Chairperson of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.

Vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole remaining Director.

A person elected to fill a vacancy as provided by this Section shall hold office until the next election of the Board of Directors or until his or her death, resignation or removal from office.

#### SECTION 18. NON-LIABILITY OF DIRECTORS

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

#### SECTION 19. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

To the extent that a person who is, or was, a Director, officer, employee or other agent of this Corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the Corporation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by the Corporation, but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the **California** Nonprofit Public Benefit Corporation Law.

**SECTION 20. INSURANCE FOR CORPORATE AGENTS**

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a Director, officer, employee or other agent of the Corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the **California** Nonprofit Public Benefit Corporation Law) 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 Section 5238 of the **California** Nonprofit Public Benefit Corporation Law.

**ARTICLE 5  
OFFICERS**

**SECTION 1. NUMBER OF OFFICERS**

The officers of the Corporation shall be a President, a Secretary, and a Chief Financial Officer who shall be designated the Treasurer. The Corporation may also have, as determined by the Board of Directors, a Chairperson of the Board, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, or other officers.

**SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE**

Any Director may serve as an officer of this Corporation. Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office for up to one year per term. There shall be no term limits for elected officers of the Board.

**SECTION 3. SUBORDINATE OFFICERS**

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

**SECTION 4. REMOVAL AND RESIGNATION**

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the Corporation.



## SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

## SECTION 6. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the Corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairperson of the Board of Directors, he or she shall preside at all meetings of the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

## SECTION 7. DUTIES OF VICE PRESIDENT

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

## SECTION 8. DUTIES OF SECRETARY

The Secretary shall:

- Certify and keep at the principal office of the Corporation the original, or a copy of these Bylaws as amended or otherwise altered to date;
- Keep at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Directors, and, if applicable, meetings of committees of Directors, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- Be custodian of the records and of the seal of the Corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the Corporation under its seal is authorized by law or these Bylaws;
- Exhibit at all reasonable times to any Director of the Corporation, or to his or her agent or attorney, on request therefore, the Bylaws, and the minutes of the proceedings of the Directors of the Corporation;
- In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of

Directors.

#### SECTION 9. DUTIES OF TREASURER

Subject to the provision of these Bylaws relating to the “Execution of Instruments, Deposits and Funds,” the Treasurer shall:

- Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors;
- Receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever;
- Disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements;
- Keep and maintain adequate and correct accounts of the Corporation’s properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- Exhibit at all reasonable times the books of account and financial records to any Director of the Corporation, or to his or her agent or attorney, on request therefore;
- Render to the President and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Corporation;
- Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports;
- In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

#### SECTION 10. COMPENSATION

Notwithstanding Directors who also serve as officers, Directors shall serve without compensation. The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Corporation. In all cases, any salaries received by officers of this Corporation shall be reasonable and given in return for services actually rendered the Corporation which relate to the performance of the charitable or public purposes of the Corporation.

### **ARTICLE 6 COMMITTEES**

#### SECTION 1. EXECUTIVE COMMITTEE

The Board of Directors may, by a majority vote of Directors, designate two (2) or more of its Directors, who may also be serving as officers of the Corporation, to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- (a) The filling of vacancies on the Board or any committee which has the authority of the Board;
- (b) The fixing of compensation of the Directors for serving on the Board or on any

- committee;
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws;
  - (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
  - (e) The appointment of committees of the Board or the members thereof;
  - (f) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected;
  - (g) The approval of any transaction to which the Corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the **California** Nonprofit Public Benefit Corporation Law;

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

#### SECTION 2. OTHER COMMITTEES

The Corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only.

#### SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors or by the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

### **ARTICLE 7**

#### **EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

##### SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

##### SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as

otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer and countersigned by the President of the Corporation or by another officer of the Corporation.

### SECTION 3. DEPOSITS

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

### SECTION 4. GIFTS

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or device for the charitable or public purposes of this Corporation.

## **ARTICLE 8**

### **CORPORATE RECORDS, REPORTS AND SEAL**

#### SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The Corporation shall keep at its principal office in the State of **California**:

- (a) Minutes of all meetings of Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- (c) A copy of the Corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the public at all reasonable times during office hours.

#### SECTION 2. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

#### SECTION 3. DIRECTORS' INSPECTION RIGHTS

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

#### SECTION 4. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

#### SECTION 5. ANNUAL REPORT

The Board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the Corporation's fiscal year to all Directors of the Corporation, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the

- fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
  - (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
  - (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

#### SECTION 6. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO DIRECTORS

This Corporation shall mail or deliver to all Directors a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

- (a) Any transaction in which the Corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:
  - (1) Any Director or officer of the Corporation, or its parent or subsidiary (a mere common directorship shall not be considered a material financial interest); or
  - (2) Any holder of more than ten percent (10%) of the voting power of the Corporation, its parent or its subsidiary.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than FIFTY THOUSAND DOLLARS (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than FIFTY THOUSAND DOLLARS (\$50,000).

Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than TEN THOUSAND DOLLARS (\$10,000) paid during the previous fiscal year to any Director or officer, except that no such statement need be made if such indemnification was approved by the Directors pursuant to Section 5238(e) (2) of the **California Nonprofit Public Benefit Corporation Law**. Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the Corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

### **ARTICLE 9 FISCAL YEAR**

#### SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the Corporation shall begin on the **first day in the month of January** and end on **the thirty first day in the month of December** in each year.

### **ARTICLE 10**

## **AMENDMENT OF BYLAWS AND OF ARTICLES**

### **SECTION 1. AMENDMENT**

Any amendment of the Articles of Incorporation may be adopted by the approval of the Board. These Bylaws may also be amended or repealed by the approval of the Board.

## **ARTICLE 11**

### **PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

#### **SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

No Director, officer, employee, or other person connected with the Corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the Corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the Corporation.

## **ARTICLE 12**

### **CONFLICTS OF INTEREST POLICY**

#### **SECTION 1. PURPOSE**

The purpose of the conflict of interest policy is to protect this tax-exempt Corporation's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### **SECTION 2. DEFINITIONS**

(a) Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
2. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under ARTICLE 12, SECTION 3, Part (b) , a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### SECTION 3. PROCEDURES

#### (a) Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### (b) Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### (c) Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### (d) Violations of the Conflicts of Interest Policy

1. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### SECTION 4. RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### SECTION 5. COMPENSATION

- (a) A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### SECTION 6. ANNUAL STATEMENTS

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and
- (d) Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### SECTION 7. PERIODIC REVIEWS

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.



**SECTION 8. USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in ARTICLE 12, SECTION 7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the Bylaws of the Corporation named in the title thereto and that such Bylaws were duly adopted by the Board of Directors of said Corporation on the date set forth below.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Taj Tashombe, Secretary**