

**Bylaws**  
of  
**FRIENDS OF LOS ALAMITOS WATERSHED**  
**June 1, 2006**

**Article 1**  
**Office**

**Section 1. Principal Office**

The principal office of the corporation is located in the New Almaden Community Club, 21727 Bertram Road, and P.O. Box 122, New Almaden, Santa Clara County, and State of California, 95042.

**Section 2. Change of Address**

The designation of the county or state of the corporation's principal office may be changed by amendment of these Bylaws. The Board of Directors may 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, nor require, an amendment of these Bylaws:

New Address: \_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

New Address: \_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

**Section 3. Other Offices**

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the Board of Directors may, from time to time, designate.

## **Article 2**

### **Nonprofit Purposes**

#### **Section 1. IRC Section 501(c)(3) Purposes**

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, (IRC) including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the IRC.

#### **Section 2. Specific Objectives and Purposes**

The specific objectives and purposes of this corporation shall be:

First: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purpose for which this corporation is organized is to foster the creek protection and restoration of Los Alamitos watershed surrounding the township of New Almaden.

Second: This corporation is established to promote community awareness of creek restoration and protection issues through the use of outreach demonstrations programs by sharing current educational research information.

Third: The corporation's purpose is to support community and/or public agency creek protection and restoration projects where they are significant for the total community benefit.

Fourth: 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 corporation exempt from federal income tax under Section 501(c)(3) of the IRC or (2) by a corporation contributions to which are deductible under Section 170(c)(2) of the IRC.

## **Article 3 Directors**

### **Section 1. Number**

The corporation shall have six (6) directors and collectively they shall be known as the Board of Directors. Upon a 2/3 majority vote of the Board of Directors, the number of directors may be increased or decreased, but not to less than three directors.

### **Section 2. Qualifications**

Directors shall be over the age of 18 years old. Other qualifications for directors of this corporation shall be as follows:

Reside in Santa Clara County.

Reside in the Los Alamitos Watershed.

### **Section 3. Powers**

Subject to the provisions of the laws of this state and any limitations in the Articles of Incorporation and these Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, 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 4. 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, 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; and,
- e. Register their addresses with the secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.
- f. Fill vacancies on the board by a 2/3 majority vote of the remaining board; unless such vacancies result in less than four board members, on which case the most senior officer of the corporation then standing shall designate members of the corporation who are not directors to vote in place of the vacant directors until four directors are restored, at which one of the four directors will vote to fill the remaining two board vacancies.

### **Section 5. Term of Office**

Each director shall hold office for a period of 2 years and until his or her successor is elected and qualifies. Prior to the two year anniversary of the director's terms, by majority 2/3 vote of the Board of Directors, a extend term of each director may be awarded that so the director desire for two additional years.

### **Section 6. Compensation**

Directors shall serve without compensation except that a reasonable fee may be paid to directors for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties.

### **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 other place as may be designated from time to time by resolution of the Board of Directors.

### **Section 8. Meetings**

A regular meeting of directors shall be held each month at a time and location to be agreed upon by the directors.

A meeting of the Board of Directors shall be held once a year at a time and location to be agreed upon by the directors.

### **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, by any two directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the board. Such meetings shall be held at the principal office of the corporation or, if different, at the place designated by the person or persons calling the special meeting.

## **Section 10. Notice of Meetings**

Unless otherwise provided by the Articles of Incorporation, these Bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the Board of Directors:

- a. Regular Meetings- No notice need be given of any regular meeting of the Board of Directors.
- b. Special Meetings- At least one week prior to a special meeting, the secretary of the corporation shall give prior notice to each director. Such notice may be oral or written, may be given personally, by first class mail, telephone, e-mail or by facsimile machine, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting.
- c. Waiver of Notice- Whenever any notice of a meeting is required to be given to any director of this corporation under provisions of the Articles of Incorporation, these Bylaws, or the law of this state, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

## **Section 11. Quorum for Meetings**

A quorum shall consist of four (4) of the members of the Board of Directors.

Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

## **Section 12. 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, these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board. In the event of a tie in any vote of the directors and of officers of the corporation the vote of the president shall determine the outcome.

### **Section 13. 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.

Roberts Rules of Order shall govern meetings, insofar as such rules are not inconsistent with or in conflict with the Articles of Incorporation, these Bylaws, or with provisions of law.

### **Section 14. 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 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 the following of the California Nonprofit Public Benefit Corporation Law. Any director may be removed from office by a majority vote of the directors then in office.

Except as provided in this paragraph, any director may resign, which resignation shall be effective giving written notice to the chairman of the board, the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective.

A vacancy will be effective by any one of the following administrative procedures:

- a. A majority vote by the Board of Directors may declare a vacancy of the office of a director who has three unexcused absences per calendar year from regularly scheduled board meetings or has been declared of unsound mind by an order of court or convicted of a felony or had been found by final order, or judgment of any court to have breached a duty under sections 5130 and following of the California Nonprofit Public Benefit Corporation.

b. 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 Office of the Attorney General or other appropriate agency of this state.

c. Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws, or provisions of law, vacancies on the board may be filled by approval of the Board of Directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the Board of Directors or until his or her death, resignation, or removal from office.

### **Section 15. Nonliability of Directors**

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

### **Section 16. Indemnification by Corporation of Directors and Officers**

The corporation to the fullest extent permissible shall indemnify the directors and officers of the corporation under the laws of this state.

### **Section 17. Insurance For Corporate Agents**

Except as may be otherwise provided under provisions of law, 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) for potential liabilities 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 Articles of Incorporation, these Bylaws, or provisions of law.

## **Article 4 Officers**

### **Section 1. Designation Of Officers**

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer. The corporation may also have a chairperson of the board, one or more vice presidents, assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the Board of Directors.

### **Section 2. Qualifications**

Any person may serve as officer of this corporation, including directors, who meet the following qualifications:

- a. Reside in Santa Clara County.
- b. Reside in the Los Alamitos Watershed.

### **Section 3. Election and Term of Office**

Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

### **Section 4. Removal and Resignation**

The Board of Directors may remove any officer, either with or without cause, 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. The board may or may not fill vacancies in offices of appointed officers, 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 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, the president shall preside at all meetings of the Board of Directors and, if this corporation has members, at all meetings of the members. 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:

- a. 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;
- b. 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 and of members, 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;
- c. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- d. Be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the corporation;
- e. Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased;
- f. Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation; and,

g. 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 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**

The treasurer shall:

- a. 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;
- b. Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever;
- c. 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;
- d. 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;
- e. 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;
- f. 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;
- g. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports; and,
- h. 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**

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation.

## **Article 5 Committees**

### **Section 1. Executive Committee**

The Board of Directors may, by a majority vote of its members, designate an executive committee consisting of one (1) or more board members and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the corporation, to the extent permitted, and except as may otherwise be provided, by provisions of law.

By a majority vote of its members, the board may at any time revoke or modify any or all of the executive committee authority so delegated, increase or decrease but not below two (2) the number of the members of the executive committee, and fill vacancies on the executive committee from the members of the board. The executive 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. These committees may consist of persons who are not also members of the board and shall act in an advisory capacity to the board.

### **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 and special meetings of committees may be fixed by resolution of 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 6**

### **Executions 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.

#### **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 devise for the nonprofit purposes of this corporation.

## **Article 7**

### **Corporate Records, Reports, and Seal**

#### **Section 1. Maintenance of Corporate Records**

The corporation shall keep at its principal office:

- a. Minutes of all meetings of directors, committees of the board, and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and 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 record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership; and,
- d. A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation 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 and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law.

#### **Section 4. Members' Inspection Rights**

If this corporation has any members, then each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

- a. To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon written demand on the secretary of the corporation, which demand shall state the purpose for which the inspection rights are requested;
- b. To obtain from the secretary of the corporation, upon written demand on, and payment of a reasonable charge to, the secretary of the corporation, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available within a reasonable time after the demand is received by the secretary of the corporation or after the date specified therein as of which the list is to be compiled; and,
- c. To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the secretary of the corporation by the member, for a purpose reasonably related to such person's interests as a member.

Members shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law.

#### **Section 5. Right To Copy And Make Extracts**

Agent or attorney may make in person or any inspection under the provisions of this article and the right to inspection shall include the right to copy and make extracts.

#### **Section 6. Periodic Report**

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

## **Article 8**

### **IRC 501(c)(3) Tax Exemption Provisions**

#### **Section 1. Limitations on Activities**

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the IRC), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the IRC, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the IRC.

#### **Section 2. Prohibition Against Private Inurement**

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors, or trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

#### **Section 3. Distribution of Assets**

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the IRC or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

#### **Section 4. Private Foundation Requirements and Restrictions**

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the IRC, the corporation:

Shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the IRC;

Shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code;

Shall not retain any excess business holdings as defined in Section 4943(c) of the IRC;

Shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the IRC; and

Shall not make any taxable expenditure as defined in Section 4945(d) of the IRC.

## **Article 9**

### **Amendments of Bylaws**

#### **Section 1. Amendment**

Subject to the power of the members, if any, of this corporation to adopt, amend, or repeal the Bylaws of this corporation and except as may otherwise be specified under provisions of law, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by approval of the Board of Directors.

## **Article 10**

### **Construction and Terms**

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this corporation, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these Bylaws to a section or sections of the IRC shall be to such sections of the IRC of 2006 as amended from time to time, or to corresponding provisions of any future federal tax code.

## **Article 11 Members**

### **Section 1. Classes, Determination, and Rights of Members**

The corporation shall be one class of membership. No member shall hold more than one membership in the corporation. Except as expressly provided in or authorized by the Articles of Incorporation or Bylaws of this corporation, all memberships shall have the same rights, privileges, restrictions and conditions.

- a. Voting rights. No member of this corporation shall have the right to vote on any matter of policy, amendment of the Articles of Incorporation or Bylaws, or the transfer of all assets of the corporation, unless authorized by a majority vote of members of the Board of Directors.

### **Section 2. Qualifications and Obligations of Members**

The membership of this corporation shall be comprised of individuals and families in the community who share the goals and objectives of this corporation. These members share a common interest to invest their skills, abilities, time, and money to further the accomplishment of said goals and objectives for the benefit of the community. Members are purely voluntary and are not obligated to perform any duties for the corporation as an obligation of membership.

### **Section 3. Admission of Members**

Applicants for membership in this corporation shall be admitted upon meeting the qualifications and criteria as set forth in these Bylaws. All new membership applications will be reviewed by the board and new members installed by vote of the Board of Directors at each regularly scheduled meeting. No member shall be entitled to any rights of membership as set forth in these Bylaws until the board has installed said member.

### **Section 4. Fees and Dues**

**Application Fee** – Each new individual or family member in the corporation may be charged an application fee for membership in the corporation. The amount of said fee shall be set by the Board of Directors and may be adjusted as the Board of Directors determines is necessary.

**Annual Dues** – The Board of Directors may determine if members shall pay annual dues in the corporation. The amount of dues may be set and adjusted as required by the Board of Directors.

### **Section 5. Number Of Members**

There is no limit on the number of members the corporation may admit.

### **Section 6. Membership Book**

The corporation shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the record book, together with

the date of termination of such membership. Such record shall be kept at the corporation's principal office as determined by the Board of Directors. These records shall be available for inspection by any director or member of the corporation.

### **Section 7. Nonliability of Members**

A member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

### **Section 8. Nontransferability of Memberships**

No member may transfer a membership or any right arising there from. All rights of membership cease upon the member's death.

### **Section 9. Termination of Membership**

All rights of a member in the corporation shall cease on termination of membership as herein provided.

Membership of a member of the corporation may be terminated upon a determination by the Board of Directors that the member has engaged in conduct materially or seriously prejudicial to the interest or purposes of the corporation. All rights of a member in the corporation shall cease on termination of membership as herein provided payment.

Following the determination that a membership should be terminated pursuant to this section, the following procedure shall be followed:

- a. A notice shall be sent by certified mail to the last address of the member as shown on the corporation's records, setting forth the termination of membership because, by a majority vote of the directors it has been determined that the said membership is naturally or seriously prejudicial to the character or the purpose of the corporation. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion.
- b. The member whose membership is to be terminated shall be given in the opportunity to be heard, either orally or in writing, at a hearing to be held at or before the next regularly scheduled meeting of the Board of Directors. The Board of Directors in accordance with the quorum will hold the hearing and voting rules set forth in these Bylaws applicable to the meetings of the board. The notice to the member of his or her proposed expulsion shall state the date, time, and place of the hearing on his or her proposed expulsion.
- c. Following the hearing, the Board of Directors shall decide whether or not the member should in fact be expelled, suspended or sanctioned in some other way. The decision of the Board shall be final.
- d. If this corporation has provided for payment of dues by members, any person expelled from the corporation shall receive a refund of dues already paid. The refund shall be pro-rated to the return only the balance remaining for the period of the dues.

## **Article 12**

### **Meetings of Members**

#### **Section 1. Place of Meetings**

Meetings of members shall be held at the principal office of the corporation or at such other place or places as may be designated from time to time by two-thirds majority vote of the Board of Directors.

#### **Section 2. General Meetings**

General regular meetings shall be held as determined by the directors pursuant to Article 3.

In addition to the general regular meetings, the board shall hold an annual meeting of the board and membership of the corporation for purpose of voting on any matters the directors decide to take to the members for a vote, and for the accomplishment of any other regular or special business of the corporation, which the board may deem appropriate.

#### **Section 3. Special Meetings of Members**

Special meetings of the members may be called by two or more of the Board of Directors, the chairperson of the board, or the president of the corporation or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the members.

#### **Section 4. Notice of Meetings**

The secretary of the corporation shall notify matters of the corporation shall notify members of the general and special meetings not less than seven (7) days prior to said meeting.

Such notices shall be by way of first class mail, regular, email or by fax and shall state the place, date, hours of the meeting.

#### **Section 5. Quorum for Voting by the Members**

If the directors elect to submit a matter to the members for a vote, a quorum shall consist of ten (10) of the voting members of the corporation, or half of the members present if less than ten.

Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

### **Section 6. Majority Action As Membership Action**

Every act or decision authorized by the directors and done or made by a majority of members present at a duly held meeting at which a quorum is present is an act of the members, unless otherwise provided by the Articles of Incorporation or Bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law.

### **Section 7. Voting Rights**

For each matter submitted to the members for a vote, each member shall have only one vote. In the event of a tie in the votes of the members, the directors of the corporation have the right to decide the outcome of the vote by a 2/3-majority vote of the directors.

### **Section 8. Method of Voting**

The method for voting by the membership may be by written ballot, show of hands, or oral as determined by the Board of Directors.

### **Section 9. Conduct of Meetings**

Meetings of members shall be presided over by the chairperson of the board, or, if there is no chairperson or, in his or her absence, by the president of the corporation or, in his or her absence, by the vice president of the corporation or, in the absence of all of these persons. The meeting shall be adjourned to be rescheduled Pursuant to Article 3, Section 8.

Robert Rule's of Order shall govern meetings; as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with the Articles of Incorporation, these Bylaws, or with provisions of law.

## **Article 13**

### **Conflict of Interest**

#### **Section 1. Conflict of Interest**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (FOLAW's) 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. 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.

#### **Section 3. Financial Interest**

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

An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,

A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or

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 VIII, Section 2, 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 4. 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.

## **Section 5. 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 or interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

## **Section 6. Procedures for Addressing the Conflict of Interest**

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.

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.

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.

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.

## **Section 7. Violations of the Conflicts of Interest Policy**

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.

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 8. Records of Proceedings**

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

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.

The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Section 9. Compensation**

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.

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.

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 10. 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:

Has received a copy of the conflicts of interest policy,

Has read and understands the policy,

Has agreed to comply with the policy, and

Understands and 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 11. 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

Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

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 12. Use of Outside Experts**

When conducting the periodic reviews as provided for in Section 10, 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.

**ADOPTION OF BYLAWS**

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing Bylaws, consisting of 23 preceding pages, as the Bylaws of this corporation.

Dated: Thursday, June 1, 2006

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Signature Thursday, June 1, 2006  
Michael Cox, Incorporator

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Signature Thursday, June 1, 2006  
Michael Boulland, Incorporator

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Signature Thursday, June 1, 2006  
Kitty Monahan, Incorporator

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Signature Thursday, June 1, 2006  
Bill Jones, Incorporator

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Signature Thursday, June 1, 2006  
Fredrick Dill, Incorporator

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Signature Thursday, June 1, 2006  
Roberta Lamons, Incorporator

