

BYLAWS

of

**Mukti for Social Development**

(A California Non-Profit Public Benefit Corporation)

**EIN 26-2650992**

July, 2008



## ARTICLE I - NAME

The name of the Corporation shall be Mukti for Social Development. The word 'Mukti' in Bengali means "liberation". 'Mukti for Social Development' was chosen to emphasize on the corporation's goals to liberate economically backward communities from poverty, disease, illiteracy, and ecological problems and to keep native tradition and culture alive.

## ARTICLE II - PURPOSE

Mukti for Social Development (hereinafter "Corporation") is organized exclusively for the promotion of charitable, educational, economical, and ecological ends in accordance with Section 501(c)(3) of the US Internal Revenue Code of 1986, as amended (or to any corresponding provision of any future federal tax law), (the "Code"). Its broad goals shall include, but will not be limited to:

1. To promote and sponsor activities to improve education, heighten social and environmental awareness and foster community development primarily in the low-income, backward, underdeveloped communities of developing and under developed nations especially India (hereinafter "disadvantaged").
2. To organize cultural activities in different parts of USA to raise awareness amongst the local communities about the plight of the disadvantaged.
3. To organize meetings, seminars and discussion forums to solicit ideas of all interested parties to address the educational, economical and ecological needs of the disadvantaged.
4. To work with Mukti India to achieve above common goals in India.
5. To provide assistance to other governmental and not-for-profit organizations with purposes similar to, or with activities in furtherance of, the purposes set forth hereinabove.
6. To make distributions to organizations that qualify as exempt organizations under Section 501(c) (3), Section 501(c) (4) and Section 501 (c) (6) or any state, territory or political subdivision exempt under section 115 of the United States Internal Revenue Code.
7. To purchase, accept, exchange, inherit, lease or otherwise acquire real and personal property, or any interest therein, of whatever kind, and to own, hold, control, maintain, manage, convey, dispose of, or change the character of such property.



8. Notwithstanding the foregoing, if the Board of Directors elects to seek and obtains an exemption from federal income tax for the Corporation pursuant to Section 501 (a) of the United States Internal Revenue Code as an organization described in Section 501 (c) (6) thereof, and until such time, if ever, as such exemption is denied or lost, the Corporation shall not knowingly carry on any other activities not permitted to be carried on by organizations exempt from federal income tax under Section 501(c) (6) of the United States Internal Revenue Code.
9. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided by Section 501(h) of the Code), and the Corporation shall not participate in, or intervene in (including publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

In the event of any conflict between the purposes set forth in these bylaws and those set forth in the articles of incorporation, the provisions of the articles of incorporation shall prevail. This provision shall not be amended without simultaneous amendment of the articles of incorporation.

### ARTICLE III - OFFICE

**Section 1.** The principal office of Mukti for Social Development shall be located in the city of Santa Cruz, California. The corporation may have such other offices, within the state, as the board of directors may determine or as the affairs of the corporation may require from time to time.

**Section 2.** The corporation shall have and continuously maintain in the State of California a registered office, and a registered agent whose office is identical with such registered office, as required by the Not-for-Profit Corporation Law. The address of the registered office may be changed from time to time by the board of directors.

### ARTICLE IV - MEMBERS

**Section 1. Eligibility.** Any individual or organization shall be eligible for membership in accordance with the articles of incorporation and the bylaws of the corporation. There shall be no limit to the number of members.

**Section 2. Classes of Members.** There shall be one class of members of the corporation.



**Section 3. Voting Power.** Each member shall be entitled to one (1) vote on all matters submitted to the members for action. The members shall be entitled to vote for directors and officers of the corporation.

**Section 4. Removal.** Any member of the corporation may be removed with or without cause by a vote of the majority of the quorum of the board of directors then in office.

**Section 5. Meetings.** The annual meeting of members for the election of directors and officers and other businesses that may come before the meeting shall be held at least once a year upon not less than ten (10) nor more than sixty (60) days' written notice of the time, place, and purposes of the meeting. The board and/or the president may provide for additional regular meetings of the members. Adjournment, waiver and other policies of the meetings are governed by Articles XII and XIII.

**Section 6. Grievances.** Any grievances against any particular member/officer /director should be directed either to the president or the chairperson of the board expect when the grievances are against both of them upon which they should be directed to other directors/officers of the corporation.

**Section 7. Privacy of Information.** The corporation and all its associates would protect all personal information provided the members as confidential. Any such information would not be disclosed by the corporation or any of its members, directors, officers, employees or agents without written authorization of the member except when requested by law enforcement agencies with court approval.

## ARTICLE V - BOARD OF DIRECTORS

**Section 1. Powers, Numbers and Qualifications.** The affairs of the corporation shall be managed by its board of directors, and all corporate powers shall be exercised by the board of directors, except as otherwise expressly required by the articles of incorporation, these by-laws, or by law. The number of directors constituting the entire board of directors shall be not less than three (3) and not more than fifteen (15), all of whom shall be members in good standing (as defined in Article IV above) at the time of nomination for board membership and election. The authorized number of directors may be changed by amendment or repeal of bylaws, mentioned in Article XXI.

**Section 2. Board Composition.** Board composition shall be limited to all members of the corporation.



**Section 3. Conflicts of Interest/Prohibitions.** In order to protect the integrity, policies and decisions of the corporation, the following guidelines shall be enforced with respect to conflicts and/or perceived conflicts of interest.

- 1. Conflicts of Interest.** Board members shall disclose to the board all conflicts or perceived conflicts as they arise during the course of board service. Board members should not participate in or be part of board discussion in any matter or issue before the board on which a conflict of interest is perceived to exist. No member of the corporation may have a direct or indirect financial interest in any contract relating to the operations of the corporation, nor in any contract for furnishing services or supplies to the corporation, unless such contract shall be authorized by 2/3 vote of the board of directors and unless such interests shall be known or disclosed to the board of directors prior to the meeting at which such contract is so authorized. Details on how to resolve conflict of interest or any perceived conflict of interest is described in Article XVII.
- 2. Prohibitions.** No director shall be an employee of the corporation, or spouse, child, parent, brother or sister by blood or marriage of such an employee.

**Section 4. Election/Nomination and Term of Office.** Majority of the directors (two –thirds) and the chairperson of the board will be directly elected by members at the annual general meeting of the corporation. Rest of the directors maybe nominated. The president or chairperson of the board shall, with the advice and consent of the board, appoint a nominating committee of one or more members or directors, provided that at least one member of the nominating committee shall be a director. One director may be in more than one nominating committees. The nominating committee shall recommend to the board the names of persons for approval. The board chairperson will appoint such persons as directors with the approval of the board of directors. Directors shall be elected and/or appointed for a two-year term.

**Section 5. Meetings.** Board of directors meetings will be held a minimum of four times a year. The chairperson of the board will preside over board meetings. Notice of the place, time and date of meetings shall be given in writing at least ten days in advance. Adjournment, waiver and other policies of the meetings are governed by Articles XIII and XIV.

**Section 6. Special Meetings.** Special meetings of the board may be convened by the chairperson of the board. Written notice of the place, time and date of any special meetings shall be given to each director at least seven (7) days in advance of the meeting date. Votes taken at all the special meetings shall be limited to agenda items listed in the notice of special meeting, and no vote shall be taken on an item not listed in the notice of special meeting.



**Section 7. Proxies.** Directors may, by notice to the chairperson of the board or secretary of the corporation at least 24 hours prior to a meeting, or by written proxy, appoint another director to act on its behalf at any board meeting.

**Section 8. Quorum.** Two thirds of the directors in office shall constitute a quorum at board meetings. At any meeting of the board of directors at which a quorum is present, the vote of a majority of directors present at the time of the vote shall be the act of the board.

**Section 9. Vacancies.** Vacancies occurring in the board for any reason may be filled by a vote of a majority of the directors in office at the time of the vacancy. A director elected to fill a vacancy shall hold office for the unexpired term of his/her predecessor.

**Section 10. Removal.** A director who fails to attend three consecutive regular board meetings or who does not attend at least 50 percent of the all board meetings during a fiscal year may be removed by a vote of a majority of the directors then in office at a special meeting of the board of directors duly called for that purpose. Failure by a director to disclose and to refrain from participation in board actions in which a conflict of interest exist shall be cause for removal by a vote of the majority of the directors then in office. Any director may be removed for cause by a majority vote of the directors then in office. A director may be removed without cause by a vote of not less than two-thirds of the directors then in office.

**Section 11. Resignation.** A director may resign at any time by written notice to the chairperson of the board or secretary of the corporation. The resignation shall take effect immediately.

**Section 12. Nonliability of Directors.** The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

## ARTICLE VI - OFFICERS

**Section 1. Number.** The officers of the corporation shall consist of a president, a treasurer, and a secretary. The officers will be elected by the general members of the corporation and will hold their offices for one year. The board of directors from time to time may appoint such other officers as may be deemed advisable and prescribe their respective titles, terms of office, authorities and duties.

**Section 2. Eligibility, Election/Nomination and Term.** The officers shall be subject to the eligibility and election/nomination provisions for directors delineated in Article V. The position of any two or more officers may be held by the same person; however no officer shall execute, acknowledge, or verify any



instrument in more than one capacity if the instrument is required by law or by these bylaws to be executed, acknowledged, or verified by two or more officers. Neither the Secretary nor the Treasurer may serve concurrently as the President or the Chairman of the Board. Each officer shall hold office for a one year term and until his/her successor shall be elected and qualified.

**Section 3. Duties of the President.** The president shall preside at all general meetings of the members of the corporation, shall be responsible for the general supervision and direction of the other officers, and for running the day to day activities of the corporation with the help of his/her co-officers. The president may enter into and execute in the name of the corporation contracts or other instruments not in the regular course of business which are authorized, either generally or specifically, by the board. The president shall keep the board of directors fully informed, and shall freely consult with them concerning the activities of the corporation. The president shall perform such other duties as shall, from time to time, be assigned by the board of directors. From time to time the president may delegate to any other officer any or all of these duties and authority.

**Section 4. Duties of the Vice President.** The vice president, if elected, shall have duties and possess authority as may be delegated to the vice president by the president.

**Section 5. Duties of the Treasurer.** The treasurer shall be the chief financial officer for the corporation and shall have oversight responsibility regarding the use and custody of all funds and securities of the corporation.

**Section 6. Duties of the Assistant Treasurer.** Assistant treasurer, if elected, shall have duties and possess authority as may be delegated to him/her by the treasurer.

**Section 7. Duties of the Secretary.** The secretary shall keep minutes of all meetings of the board of directors and of the officer's committee and the general body. He/she shall have responsibility for the seal of the corporation and shall affix and attest the same to documents when duly authorized by the board of directors. He/she shall attend to the giving and serving of all notices of the corporation in accordance with these bylaws, and shall have charge of such books and papers as the board of directors may direct; he/she shall perform all the duties incidental to the office. He/she shall keep a current roll containing the names of all directors who are members of the board, showing their places of residence and the date when they became directors.

**Section 8. Duties of the Assistant Secretary.** Assistant secretary, if elected, shall have duties and possess authority as may be delegated to him/her by the secretary.



**Section 9. Removal.** Any officer of the corporation may be removed with or without cause by a vote of the majority of the quorum of the board of directors then in office.

**Section 10. Vacancies.** In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be appointed by the board of directors at a special meeting called for that purpose.

**Section 12. Nonliability of Officers.** The officers shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

## ARTICLE VII – COMMITTEES

**Section 1. Purpose.** The board, by resolution approved by a majority of the entire board, may appoint from among the directors, general members, or members of the advisory council one or more committees (other than the nominating committee provided for in Article V, Section 4) of one or more members, each of which, to the extent provided in the resolution, shall have and may exercise the authority of the board. However, no committee may take the following actions:

1. make, alter, or repeal any bylaws of the corporation;
2. elect or appoint any officer or director, or remove any officer or director;
3. submit to members any action that requires the approval of members;
4. amend or repeal any resolution previously adopted by the board; or
5. appoint committees.

**Section 2. Board Authority.** The board, by resolution adopted by a majority of the entire board, may take the following actions:

1. fill any vacancy in a committee;
2. appoint one or more persons to serve as alternate members of any committee, to act in the absence or disability of members of any committee with all the powers of the absent or disabled members of a committee;
3. abolish any committee at its pleasure; or
4. remove any members of a committee at any time, with or without cause.



**Section 3. Action.** A majority of each committee shall constitute a quorum for the transaction of business and the act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of that committee.

**Section 4. Chairperson.** Each committee shall appoint from among its members a chairperson unless the resolution of the board establishing the committee designates the chairperson. A vacancy in the position of chairperson shall be filled in the manner of the original appointment.

**Section 5. Records.** Actions taken at a meeting of any committee shall be kept in a record of its proceedings. This record shall be reported to the board at its next meeting following the committee meeting, except that when the meeting of the board is held within two days after the committee meeting, the report shall be made to the board at its second meeting, if not made at the first meeting.

**Section 6. Meetings.** Number of committee meetings to be held will be decided by the majority of the members or as mandated by the charter of the committee. The chairperson of the committee will preside over the meetings. Notice of the place, time and date of meetings shall be given in writing at least ten days in advance. Adjournment, waiver and other policies of the meetings are governed by Articles XIII and XIV.

## ARTICLE VIII – ADVISORY COUNCIL

**Section 1. Purpose.** The advisory council (hereinafter “council”) is a special committee consisting of people of the society at large to advise the board and others in all matters of the corporation. The agenda, charter and membership of the council are different from all other committees of the Corporation.

**Section 2. Council Composition and Number.** Council composition shall include all members of the general population excluding the members of the corporation. There is no limit to the number of members in the council.

**Section 3. Election/Nomination and Term of Office.** All members of the council are nominated. The president or chairperson of the board shall, with the advice and consent of the board, appoint a nominating committee of one or more members or directors, provided that at least one member of the nominating committee shall be a director. One director may be in more than one nominating committees. The nominating committee shall recommend to the board the names of persons for approval. The board chairperson will appoint such persons as members of the council with the approval of the board of directors. The members of the council are appointed for a five-year term.



**Section 4. Action.** A majority of the council shall constitute a quorum for the transaction of business and the act of the majority of the council members present at a meeting at which a quorum is present shall be the act of that the council.

**Section 5. Power and Authority.** The purpose of the council is advisory and any resolution passed by the council is non-binding on the board and/or members of the corporation.

**Section 6. Chairperson.** The council shall appoint from among its members a chairperson unless the resolution of the board establishing the council designates the chairperson. A vacancy in the position of chairperson shall be filled in the manner of the original appointment.

**Section 7. Records.** Resolutions taken at a meeting of the council shall be kept in a record of its proceedings. This record shall be reported to the board at its next meeting following the council meeting, except that when the meeting of the board is held within two days after the council meeting, the report shall be made to the board at its second meeting, if not made at the first meeting.

**Section 8. Meetings.** Council meetings will be held either at the request of the majority of council members or at the request of the board to advise on matters of interest of the corporation. The chairperson of the council will preside over the meetings. Notice of the place, time and date of meetings shall be given in writing at least ten days in advance. Adjournment, waiver and other policies of the meetings are governed by Articles XII and XIII.

**Section 9. Removal.** Any council member may be removed for cause by a majority vote of the directors then in office. A member may be removed without cause by a vote of not less than two-thirds of the directors then in office and there being a quorum. Acceptance of membership of the corporation is an automatic cause of removal from the council.

**Section 10. Resignation.** A council member may resign at any time by written notice to the chairperson of the council or secretary of the corporation. The resignation shall take effect immediately.

## ARTICLE IX – CHAPTERS

**Section 1. Purpose.** The board, by resolution approved by a majority of the entire board, may create chapters to support and further the cause of the corporation in smaller regional area.

**Section 2. Chapter Authority and Jurisdiction.** The board may grant the following directives and authority to each chapter on its formation:



1. define the region of its operation which can be political such as a state or city or geographical as defined by a prominent geographical landmark such as a river or mountain;
2. elect one or more person as the officers of the chapter to manage the day to day operation of the chapter;
3. make bylaws that are applicable to the chapter; or
4. maintain own bank accounts and books.

**Section 3. Board Authority.** The board, by resolution adopted by a majority of the entire board, may take the following actions:

1. appoint one or more persons to serve as alternate officer of any chapter, to act in the absence or disability of an officer of any chapter with all the powers of the absent or disabled officer of the chapter;
2. appoint one of the directors who is not a member of the chapter as an election officer to conduct the election of the officer of a chapter;
3. appoint the officers of a chapter elected by the chapter members;
4. abolish any chapter at its pleasure;
5. remove any officer of a chapter, with or without cause; or
6. amend or repeal any resolution adopted by a chapter.

**Section 4. Chapter Bylaws.** Chapters shall adopt the corporation's bylaws and its future amendments. Chapters can make/amend their by-laws to suit the local laws and requirements. All new and modified by-laws of chapters must be approved by a majority of the board before adoption. In the event of any conflict between the purposes set forth in the bylaws of a chapter and those set forth in the bylaws of corporation, the provisions of the bylaws of corporation shall prevail.

**Section 5. Officers.** Each chapter shall elect from among its members a president, a secretary and a treasurer. Each officer shall hold office for a one year term and until his/her successor shall be elected and qualified.

**Section 6. Duties of the Chapter President.** The president shall preside at all general meetings of the members of the chapter, shall be responsible for the general supervision and direction of the other officers, and for running the day to day activities of the chapter with the help of his/her co-officers. The chapter president may enter into and execute in the name of the corporation any contracts or other instruments not in the regular course of business which are



authorized specifically by the board and approved by the president of the corporation. The chapter president shall keep the board of directors and the president of the corporation fully informed, and shall freely consult with them concerning the activities of the chapter. The chapter president shall perform such other duties as shall, from time to time, be assigned by the board of directors or the president of the corporation. From time to time the chapter president may delegate to any other officer any or all of these duties and authority.

**Section 7. Duties of the Chapter Treasurer.** The treasurer shall be the chief financial officer for the chapter and shall have oversight responsibility regarding the use and custody of all funds and securities of the chapter. The chapter treasurer shall keep the treasurer of the corporation fully informed, and shall freely consult with him/her regarding the finances of the chapter.

**Section 8. Duties of the Chapter Secretary.** The secretary shall keep minutes of all meetings of the officer's committee and the general body of the chapter. He/she shall attend to the giving and serving of all notices of the chapter in accordance with the chapter by-laws, and shall have charge of such books and papers as the board of directors may direct; he/she shall perform all the duties incidental to the office. He/she shall keep a current roll containing the names of all members of the chapter.

**Section 9. Removal of Chapter Officer.** Any officer of the chapter may be removed with or without cause by a vote of the majority of the quorum of the board of directors then in office or by a vote of majority of the members of the chapter.

**Section 10. Vacancies.** In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be appointed by the board of directors at a special meeting called for that purpose.

**Section 11. Action.** A majority of each chapter shall constitute a quorum for the transaction of business and the act of the majority of the chapter members present at a meeting at which a quorum is present shall be the act of that chapter.

**Section 12. Records.** Actions taken at a meeting of any chapter shall be kept in a record of its proceedings.

**Section 13. Meetings.** Number of chapter meetings to be held will be decided by the majority of the members or as mandated by the charter of the chapter. The president of the chapter will preside over the meetings. Notice of the place, time and date of meetings shall be given in writing at least three days in advance. Adjournment, waiver and other policies of the meetings are governed by Articles XIII and XIV.



**Section 14. Checks and Notes of Chapter.** 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 chapter shall be signed by the treasurer and countersigned by the president of the chapter. In case of the absence of the president or the treasurer, the secretary of the chapter may sign on their behalf.

**Section 15. Deposit of Chapter Funds.** All funds of the chapter shall be deposited from time to time to the credit of the chapter in such banks, trust companies, or other depositories as the board of directors may determine.

**Section 16. Books and other Chapter Documents.** There shall be kept at the office of the chapter correct books of account of all activities and transactions of the chapter, checks, drafts, notes and contracts, and all legal documents of the chapter, including a copy of the chapter by-laws, and all minutes of meetings of the members. All documents must immediately be transferred to the corporate office or any other designated place whenever requested by any officer of the corporation or the board.

## **ARTICLE X – COMPENSATION OF ADVISORS, DIRECTORS, AND OFFICERS**

Neither advisors, directors, nor officers shall receive any fee, salary, or remuneration of any kind for their services as advisors, directors and/or officers, provided, however, that advisors, directors, and officers may be reimbursed for reasonable expenses incurred on behalf of the corporation in a manner provided by board resolution for all corporate expenditures, provided that original receipts of expenditures or other proof is submitted to the treasurer upon request.

## **ARTICLE XI - INDEMNIFICATION**

The corporation shall indemnify any director, officer, employee, advisor or agent who is a party or is threatened to be made a party to any suit, or other proceeding of any nature, whether civil, criminal, administrative or investigative, and whether brought by in the right of the corporation by reasons of the fact that such person was or is a director, officer, employee, advisor or agent of the corporation to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law, including without limitation indemnification against expenses (which shall include for the purposes of this section attorneys' fees and disbursements), damages, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding unless



the act or failure to act giving rise to the claim is finally determined by a court to have constituted willful misconduct or recklessness.

Each director, officer, advisor, employee or agent who acts for the corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by the this section.

All rights of indemnification under this section shall be deemed a contract between the corporation and the person intended to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not limit, but may expand, rights or rights obligations in such respect of any proceeding whether commenced prior to or after such change to the extent such proceeding pertains to actions or failures to act occurring prior to such change.

The indemnification and advancement of expenses provided by, or granted pursuant to this section shall continue as to a person who has ceased to be a director, officer, or employee in respect to matters arising prior to such time, and shall inure to benefit of the heirs, executors and administrators of such person.

## **ARTICLE XII - 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 XIII - RULES OR ORDER**

All meetings of members, board of directors, committees and advisory council shall be governed by the parliamentary rules and usages contained in the latest edition of Robert's Rules of Order.

## **ARTICLE XIV - WAIVERS OF MEETINGS AND ADJOURNMENTS**

Notice of a meeting need not be given to any member or director who signs a waiver of notice before or after the meeting, or who attends the meeting without



protesting, prior to the conclusion of the meeting, the lack of notice to that member or director of the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the board need be specified in the notice or waiver of the notice of the meeting. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning and if the period of adjournment does not exceed ten days in any one adjournment.

**Section 1. Action Without Meeting.** The members or the board or any committee of the board may act without a meeting if, prior or subsequent to the action, each member or director or committee member shall consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting.

**Section 2. Meeting by Telephone/Electronic Medium.** The board or a committee of the board may participate in a meeting of the board or a committee by means of a telephone conference call or any other means of communication by which all persons participating in the meeting are able to communicate with each other.

## **ARTICLE XV - 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. In case of the absence of the president or the treasurer, the secretary may sign on their behalf.

**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 determine.

**Section 4. Gifts.** The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.



## ARTICLE XV - CORPORATE RECORDS, REPORTS, AND SEAL

**Section 1. Maintenance of Corporate Records.** The corporation shall keep at its principal office in the State of California:

1. 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;
2. 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;
3. 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;
4. 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.

**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:

1. To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested.
2. To obtain from the secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized 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 on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.

3. 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 corporation by the member, for a purpose reasonably related to such person's interests as a member.

**Section 5. 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 6. 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 and to any member who requests it in writing, which report shall contain the following information in appropriate detail:

1. The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
2. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
3. The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
4. The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
5. Any information required by Section 7 of this Article.

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.

If this corporation receives Twenty-Five Thousand Dollars (\$25,000), or more, in gross revenues or receipts during the fiscal year, this corporation shall automatically send the above annual report to all members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants or certification of a corporate officer, as specified by the above provisions of this Section relating to the annual report.



**Section 7. Annual Statement of Specific Transactions to Members.** This corporation shall mail, email or deliver to all directors and any and all members 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:

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 its 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 members 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.

The annual report provided to members according to the provisions of Section 6 of this Article shall also include the information required by this Section.

## **ARTICLE XVI - FISCAL YEAR**

The fiscal year of the corporation and all its chapters shall begin on the first day of January and end on the last day of December of each calendar year.



## ARTICLE XVII - CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

**Section 1. Purpose of Conflict of Interest Policy.** The purpose of this conflict of interest policy is to protect this tax-exempt corporation'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 corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. 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.

1. Interested Person. Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - I. an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
  - II. a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
  - III. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation 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 Section 3, paragraph 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 3. Conflict of Interest Avoidance Procedures.**

1. 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.
2. 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.
3. 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 corporation 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 corporation'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.

4. 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 4. Records of Board and Board Committee Proceedings.** The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

1. 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.
2. 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 Approval Policies.** A voting member of the governing board who receives compensation, directly or indirectly, from the corporation 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 corporation 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 corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

1. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.
2. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with



respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):

- I. is not the person who is the subject of compensation arrangement, or a family member of such person;
  - II. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
  - III. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
  - IV. has no material financial interest affected by the compensation arrangement; and
  - V. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
3. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
- I. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources
  - II. the availability of similar services in the geographic area of this organization
  - III. current compensation surveys compiled by independent firms
  - IV. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to



comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

4. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
  - I. the terms of the compensation arrangement and the date it was approved
  - II. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
  - III. the comparability data obtained and relied upon and how the data was obtained.
  - IV. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
  - V. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
  - VI. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).
  - VII. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be



reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

**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:

1. has received a copy of the conflicts of interest policy,
2. has read and understands the policy,
3. has agreed to comply with the policy, and
4. understands the corporation 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 corporation 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation'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 Section 7, the corporation 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.

## **ARTICLE XVIII - PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

No member, director, officer, employee, or other person connected with this 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. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the articles of incorporation of this corporation and not otherwise.

#### **ARTICLE XIX - NON-DISCRIMINATION**

Neither the corporation nor its directors, officers, employees, members or agents shall discriminate in the conduct of the corporation's business or in the performance of official duties against any person on the basis of gender, race, national origin, color, religious belief, sexual orientation, age, marital status, disability, political party or political affiliation as these terms are defined in California civil rights statutes.

#### **ARTICLE XX - CONSTRUCTION**

If there be any conflict between the provisions of the articles of incorporation and these bylaws, the provision of the articles of incorporation shall govern.

#### **ARTICLE XXI - AMENDMENT OR REPEAL OF BYLAWS**

These bylaws shall be adopted by the board of directors. Amendments to these bylaws may be proposed by the general membership or board of directors. The membership shall be informed, prior to the next annual meeting of the membership, of any bylaws change made by the board of directors. Each change made to the bylaws by the board of directors shall be ratified, amended, or repealed by unanimous written consent, by written ballots received from a least a quorum of general members, or by a majority of quorum vote of the general membership at the annual meeting, though such changes shall be effective at the time they are made by the board of directors.