

Bylaws
Of the
Koi Club of San Diego
A California Public Benefit Corporation

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ARTICLE 1. OFFICES

SECTION 1.1. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located in San Diego County, California.

SECTION 1.2. CHANGE OF ADDRESS

The county of the corporation's principal office can be changed only by amendment of these bylaws and not otherwise. The Steering Committee may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these bylaws.

_____	Dated: _____
_____	Dated: _____
_____	Dated: _____

SECTION 1.3. OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require, and as the board of directors may, from time to time, designate.

ARTICLE 2. PURPOSES

SECTION 2.1. OBJECTIVES AND PURPOSES

The primary objectives and purposes of this corporation shall be:

- To promote, through research and education, constantly improving methods of creating safe and healthy koi environments;
- To educate its members, and the public, as to the benefits of keeping koi;
- To foster and promote a spirit of friendship and camaraderie among its members, other koi clubs, and the public through the exchange of information and support; and
- To promote the enjoyment and better understanding of koi and the hobby.

ARTICLE 3. DIRECTORS

SECTION 3.1. ELECTED OFFICERS

The Board of Directors for the corporation will be all of its Elected Officers. The corporation will have, at all times, the following Elected Officers: President, First Vice President of Program, Second Vice President of Venue, Secretary, and Treasurer.

SECTION 3.2. POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the articles of incorporation and 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 3.3. DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation of this corporation, or by these bylaws;

(b) Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers and agents of the corporation;

(c) Supervise all officers and agents of the corporation to assure that their duties are performed properly;

(d) Meet at such times and places as required by these bylaws;

(e) Register their addresses with the secretary of the corporation and notices of meetings mailed or emailed to them at such addresses shall be valid notices thereof.

SECTION 3.4. TERMS OF OFFICE

Each director shall hold office until the next annual meeting for election of the board of directors as specified in these bylaws, and until his or her successor is elected and qualifies.

SECTION 3.5. COMPENSATION

Directors shall serve without compensation.

SECTION 3.6. RESTRICTION REGARDING INTERESTED DIRECTORS

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

(a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or

(b) Any brother, sister, ancestor, descendant, spouse, domestic partner, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

SECTION 3.7. VACANCIES

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

The board of directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

Directors may be removed without cause by a majority of the votes represented at a membership meeting.

If this corporation has no members, directors may be removed without cause by a majority of the directors then in office.

Any director may resign effective upon giving written notice to the president and the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the attorney general.

Vacancies on the board may be filled by approval of the Board of Directors, however, vacancies created by the removal of a director may be filled only by the approval of the members. The members of this corporation may elect a director at any time to fill any vacancy not filled by the directors.

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

SECTION 3.8. NONLIABILITY OF DIRECTORS

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

ARTICLE 4. OFFICERS

SECTION 4.1. APPOINTED OFFICERS

The corporation may have the following Appointed Officers: Show Chairman, Membership Chairman, Newsletter Editor, Japanese Friendship Garden Liaison, AKCA Representative, Nominating Committee Chairman, Historian, Librarian, Property Manager, Webmaster, Assistant Webmaster, Publicity Chairman, Koi Health Advisor, Financial Review Chairman, and Corresponding Secretary.

SECTION 4.2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

Any Active Member may serve as an officer of this corporation. Each officer shall hold office until he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

SECTION 4.3. TERM OF OFFICE

The term of office will be one year. The office of President cannot be held by the same Active Member for more than two consecutive terms, except, if a Vice President assumes the Presidency midterm, the shortened term will not count as part of the two term limit. Any number of offices may be held by the same person except that neither the secretary nor the treasurer may serve as the president or chairperson of the board. Each newly Elected Officer will take office at a time agreed to by the incoming and outgoing holders of the office, but not later than July 1. Appointed Officers may be appointed at the first Steering Committee meeting held after the election, but not later than the July Steering Committee meeting. Appointed Officers will serve until the next Steering Committee meeting at which Appointed Officers are chosen.

SECTION 4.4. RECALL

- (a) INITIATING RECALL: Any Active Member may request the recall of an Officer by written request addressed to the Secretary, the President, or to both. The request must state the specific charges showing good cause for initiating the recall process.
- (b) INVESTIGATIVE COMMITTEE: Within 10 days of receiving a written recall request, the President and/or Secretary will appoint an Investigative Committee with a minimum of three (3) Active Members, preferably consisting of at least one past President, one person recommended by the Officer charged, and one other Active Member with a long history of service to corporation. The Investigative Committee will be given the responsibility of investigating the charges and reporting its findings to the Steering Committee within 30 days.
- (c) REPORT AND HEARING: The Investigative Committee will report its findings at either a regular or special Steering Committee meeting. After the report is received and the Officer charged is given an opportunity to speak, a vote on the question of recall will be taken with the Officer under question and the Member who brought the charges abstaining. The vote will be conducted by secret ballot.
- (d) RECALL VOTE: If two-thirds (2/3) of the Steering Committee votes are in favor of recall, then at the next General Membership meeting a Member of the Investigative Committee will call for a secret ballot vote of recall after:
- Reading the charges as outlined in the written recall request, or such charges as amended by the Steering Committee in light of the Investigative Committee's report;
 - Notifying the Membership of the Investigative Committee's findings; and
 - Notifying the Membership that two-thirds (2/3) of the Steering Committee voted for recall.

(e) REMOVAL AND REPLACEMENT: If two-thirds (2/3) of the votes at the General Membership meeting are in favor of recall, then:

- That Officer's position is immediately vacant and the President will appoint a person to fill the vacancy until the next annual election with the approval of a majority vote at the next Steering Committee meeting; and
- In the event the President is recalled, the First Vice President of Program becomes the President and will appoint a person to fill the First Vice President of Program vacancy until the next annual election with the approval of a majority vote at the next Steering Committee meeting.

SECTION 4.5. RESIGNATION

Any officer may resign at any time by giving written notice to the board of directors or to the president and 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.

SECTION 4.6. CREATING AND ELIMINATING OFFICER POSITIONS

The corporation can create new Officer positions (either Elected or Appointed), at any time, by a majority vote of the Board of Directors. The corporation can eliminate Appointed Officer positions or replace the current Appointed Officer, at any time, by a majority vote of the Board of Directors. The corporation can eliminate an Elected Officer position by an amendment of the Bylaws and majority vote of the Membership.

SECTION 4.7. DUTIES OF PRESIDENT

- Will preside at all General or Special Membership meetings, Regular or Special Steering Committee meetings and annual elections;
- Will recommend Committee Chairmen as necessary;

- Will select a location for a General Membership meeting in the absence of a venue;
- Will provide a monthly President's Message for the corporation's Newsletter and Website;
- Is authorized to expend monthly up to \$250 for the corporation's business on a nonrecurring item without prior Board of Directors approval;
- Will have full access to the corporation's financial records and accounts;
- Will attend to documents from government agencies in a conscientious and timely manner so as to maintain the corporation's nonprofit status;
- Will have full access to the corporation's Website(s), domain(s) and all associated passwords; and
- Will prepare and submit an annual budget pertaining to projected President expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.8. DUTIES OF FIRST VICE PRESIDENT OF PROGRAM

- Will act as President when the President is absent;
- Will arrange for speakers and topics for General Membership meetings;
- Will provide to the Steering Committee a current schedule of General Membership meeting programs. An electronic copy will be provided at least monthly to the Newsletter Editor and Webmaster;
- Will coordinate any special speaker requirements with the Second Vice President of Venue; and
- Will prepare and submit an annual budget pertaining to projected program and speaker expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.9. DUTIES OF SECOND VICE PRESIDENT OF VENUE

- Will, in the absence of the First Vice President of Program, act as President when the President is absent;
- Will arrange locations for the General Membership meetings and determine if the host wishes to provide snacks and beverages at the meeting or request a potluck where the host provides the paper products and beverages;
- Will provide directions, information, and a map to the host's venue for publication by the Newsletter Editor and Webmaster;
- Will communicate with the prospective meeting host to resolve any issues or concerns;
- Will provide the First Vice President of Program, in advance of the monthly Steering Committee meeting, a current schedule of meeting venues; and
- Will prepare and submit an annual budget pertaining to projected venue/meeting expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.10. DUTIES OF SECRETARY

- Will record the minutes at all Steering Committee meetings and distribute same to the Steering Committee prior to the next scheduled monthly meeting;
- Will prepare a summary of the Steering Committee meeting for publication as a "Steering Committee Minutes" article in corporation's Newsletter and will provide an electronic copy to the Newsletter Editor by the submission deadline;
- Will assure that the minutes are read and corrected at the following Steering Committee meeting; and

- Will ensure that the Webmaster has a current copy of the corporation's Bylaws (including amendments) for publication on the corporation's Website and will email a copy of the corporation's Bylaws to any Active Member upon request.

SECTION 4.11. DUTIES OF TREASURER

- Will receive and deposit all monies into the corporation's bank account(s) and attend to transfers between accounts;
- May independently pay any normal operating expenses of the corporation's if included in the corporation's annual Approved Budget or Approved Show Budget;
- For any expenditure not included in the corporation's annual Approved Budget or Approved Show Budget, must receive authorization for payment by a majority vote of the Board of Directors;
- Will prepare and present a Final Financial Report (the "Final Report") for the previous Operating Year at the July Steering Committee meeting. The Final Report will detail the items of income and expense, the prior year's budget and comments on all unusual items and significant deviation from the budget;
- Will prepare and present a projection of income and expenses for the Operating Year at the August Steering Committee meeting which, when approved by a majority vote of the Board of Directors, is the corporation's Approved Budget;
- Will prepare reports based on the Operating Year for the Financial Review Chairman's review and provide support/answers to any question asked to allow the Financial Review Chairman to timely complete his/her responsibilities;
- Will prepare and present both a monthly and an Operating Year to-date reports of receipts and expenses to the Steering Committee and such interim financial reports as the President or Financial Review Chairman requests;

- Will assist a qualified CPA or EA in preparation of state and federal tax returns and pay such taxes as are lawfully due on or before April 15th after review by the President;
- Will renew registration with The Attorney General Registry of Charitable Trusts;
- Will file a Statement of Information with the California Secretary of State;
- Will file a Raffle Application with the Attorney General by July 1st, if applicable;
- Will file a Raffle Report with the Attorney General by October 1st, if applicable;
- Will assist an outside tax professional in preparation of any sales tax returns, and other returns as may be required of the corporation's, and pay such taxes as are lawfully due in a timely manner after review by the President;
- Will assist the President in the preparation of documents to government agencies; and
- Will establish procedures for, with Steering Committee approval, drawings, raffles, and auctions at all corporation's functions.

SECTION 4.12. DUTIES OF SHOW CHAIRMAN

- Will maintain a set of written procedures, recommendations and lessons learned for each Show which will be passed on to the next Show Chairman;
- Will establish a Show Committee in order to manage all Show requirements and responsibilities not later than six months prior to the Show;
- Will present specific rules and guidelines for the Koi Show at a Steering Committee meeting not later than six months prior to the Show. The rules will be adopted by a majority vote of the Steering Committee;
- Will prepare and present a Show Budget for the Koi Show at a Steering Committee meeting not later than six months prior to the Show which, when approved by a majority vote of the Board of Directors, is corporation's approved Show Budget;

- Will present any Budget line item overruns to the Board of Directors and must receive approval for payment by a majority vote of the Board of Directors;
- Will maintain a record of Exhibitors, based on the Exhibitor’s entry form, who have registered for the Koi Show noting the date and amount of registration fees paid to ensure the Show will have an adequate number of tanks set-up to meet the Exhibitor requirements;
- Will deliver to the Treasurer, in a timely manner, all Exhibitor registration fees accompanied with an itemized report of the receipts;
- Will maintain a record of Vendors, based on the Vendor’s booth form, who have registered for the Koi Show noting the date and amount of fees paid;
- Will deliver to the Treasurer, in a timely manner, all Vendor fees accompanied with an itemized report of the receipts;

SECTION 4.13. DUTIES OF MEMBERSHIP CHAIRMAN

- Will retain Membership applications for at least three (3) years;
- Will assure that a current Membership roster is maintained and is available to the other officers on a “need to know” basis as determined by the Steering Committee;
- Will prepare and send yearly Membership Dues renewal notices 60 days in advance of the Member’s Anniversary Date;
- Will receive renewal and new Membership Dues and applications;
- Will deliver to the Treasurer, in a timely manner, all dues accompanied with an itemized report of receipts;
- Will provide the Newsletter Editor a monthly list of new and renewing members for publication;

- Will order name tags and send a copy of the order to the Treasurer for payment upon receipt of a bill;
- Will utilize the membership roster to assist members in communicating with the general membership on appropriate matters.
- Will send out a Welcome Package to all new Members;
- Will publish and distribute a current Membership roster at least annually following the election of new corporation's Elected Officers. The corporation will not donate or sell the roster for any purpose as it is for the private and personal use of the Members; and
- Will prepare and submit an annual budget pertaining to projected Membership revenue and expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.14. DUTIES OF NEWSLETTER EDITOR

- Will obtain articles and edit same for the corporation's monthly Newsletter;
- Will publish and distribute the corporation's monthly Newsletter in a timely manner;
- Will work with the Webmaster with respect to expanded Newsletter content for the Website;
- Will publish information concerning Koi or events related to Koi that would be of interest to the Membership; and
- Will prepare and submit an annual budget pertaining to projected Newsletter revenue and expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.15. DUTIES OF JAPANESE FRIENDSHIP GARDEN LIAISON

- Will be corporation's point of contact with the Japanese Friendship Garden in Balboa Park; and

- Will coordinate the maintenance of the Koi pond filter and equipment at the Japanese Friendship Garden.

SECTION 4.16. DUTIES OF NOMINATING COMMITTEE CHAIRMAN

- Will be responsible for creating a slate of candidates for the annual election and will call on corporation's Active Members for assistance as necessary.

SECTION 4.17. DUTIES OF HISTORIAN

- Will retain the corporation's past and future monthly meeting notices/bulletins/Newsletters;
- Will retain any photographs of the corporation's activities that are donated to the corporation;
- Will retain news articles mentioning the corporation or the corporation's Members;
- Will retain from the Annual Koi Show: a pin, brochure, announcement and list of prize winners; and
- Will make an annual album or files containing the above which will be transferred to the next Historian.

SECTION 4.18. DUTIES OF PROPERTY MANAGER

- Shall maintain the list of the corporation's tangible assets, their cost and their location;
- Will obtain storage space for the corporation's assets; and
- Will prepare and submit an annual budget pertaining to projected property expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.19. DUTIES OF WEBMASTER

- Will maintain the corporation's Website(s) in accordance with the desires of the Steering Committee;

- Will maintain a record of domain names owned by the corporation and ensure their timely annual renewal;
- Will ensure that the President has full access to the corporation's Website(s), domain(s) and all associated passwords; and
- Will prepare and submit an annual budget pertaining to projected Website revenue and expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.20. DUTIES OF PUBLICITY CHAIRMAN

- Will contact print, radio, TV and Internet media regarding the corporation's events and activities including the Annual Koi Show; and
- Will prepare and submit an annual budget pertaining to projected publicity expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.21. DUTIES OF KOI HEALTH ADVISOR

- Must have completed the AKCA KHA course successfully or an equivalent series of courses as defined by the Steering Committee;
- Must maintain an AKCA KHA certification or equivalent, as defined by the Steering Committee, through continuing education credits;
- May assist the corporation's Active Members with pond/Koi issues via phone, email and/or pond visits;
- Will provide KHA assistance to the Japanese Friendship Garden's Koi pond as long as the corporation provides filter and water quality maintenance;
- Will provide current health information at corporation's General Membership meetings and Steering Committee meetings as necessary;
- Will provide health updates to the corporation's Newsletter and Website as necessary; and

- Will prepare and submit an annual budget pertaining to projected KHA expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.22. DUTIES OF FINANCIAL REVIEW CHAIRMAN

- Will establish a financial review committee consisting of at least one other Active Member who is not the current corporate Treasurer or the Treasurer during the period being reviewed;
- Under the guidance of the Financial Review Chairman the Committee will review the corporation's finances for the previous Operating Year;
- The Committee will ask questions and look at sufficient detail to gain a thorough understanding of the corporation's operations to allow it to understand and validate the Treasurer's Final Report;
- The Committee will verify that corporation has filed Federal and State corporate taxes, renewed registration with The Attorney General Registry of Charitable Trusts, filed a Statement of Information with the California Secretary of State, and filed a Raffle Application as well as a Raffle Report with the Attorney General;
- At the September Steering Committee meeting the Financial Review Committee will submit a written report on the results of its review of the Treasurer's Final Report.

SECTION 4.23. DUTIES OF CORRESPONDING SECRETARY

- Will provide thank you notes to the corporation's speakers, venue hosts and others as appropriate;
- Will handle other external communications on behalf of the corporation; and
- Will prepare and submit an annual budget pertaining to projected correspondence expenses for the Next Operating Year to the Treasurer at the July Steering Committee meeting.

SECTION 4.24. COMPENSATION

Officers shall serve without compensation.

SECTION 4.25. NONLIABILITY OF OFFICERS

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

SECTION 4.26. VACANCIES

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

ARTICLE 5. MEMBERSHIP

SECTION 5.1. DETERMINATION AND RIGHTS OF MEMBERS

The corporation shall have only one type of Membership: the Family Membership. A Family Membership is available to an individual or a household residing at one address. Each individual member of a household over the age of 18 (a "Member") is entitled to one vote. 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.

SECTION 5.2. QUALIFICATIONS OF MEMBERS

Anyone will be eligible for Membership.

SECTION 5.3. ADMISSION OF MEMBERS

Applicants shall be admitted to membership upon submitting of an application and payment of membership dues.

SECTION 5.4. DUES

- (a) Membership Dues will be set by the Board of Directors, at least annually. Membership Dues are not refundable in whole or in part (except in the case of an expulsion). The cost of name badges is not a part of Membership Dues.
- (b) Annual Dues are due on the first day of the anniversary month of the original Membership date (the “Anniversary Date”). Members who have not paid their Dues within 60 calendar days of the Anniversary Date will be removed from the Membership Roster of the corporation. Payment of the Membership Dues within 60 days of the Anniversary Date will reinstate the Family Membership and continue the existing Anniversary Date. Payment of the Membership Dues after 60 days is in actuality a new Membership and will result in a new Membership record with a new Anniversary Date. The above time period of 60 days can be adjusted by majority vote of the Board of Directors.

SECTION 5.5. NUMBER OF MEMBERS

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

SECTION 5.6. MEMBERSHIP ROSTER

The corporation shall keep a membership roster containing the name, address, and email address of each member. Termination of the membership of any member shall be recorded in the roster, together with the date of termination of such membership. Such roster shall be kept within the corporation’s constituent management and engagement (CME) platform and shall be available for inspection by any director or member of the corporation by request.

The record of names and addresses of the members of this corporation shall constitute the membership list of this corporation and shall not be used, in whole or part, by any person for any purpose not reasonably related to a member’s interest as a member.

SECTION 5.7. ACTIVE MEMBER

A Member is considered Active if their dues are paid by their Anniversary Date. All Active Members of corporation collectively are the Membership.

SECTION 5.8. NONLIABILITY OF MEMBERS

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

SECTION 5.9. NONTRANSFERABILITY OF MEMBERSHIPS

No member may transfer a family membership or any right arising therefrom. All rights of family membership cease upon the last household member's death.

SECTION 5.10. TERMINATION OF MEMBERSHIP

(a) Grounds for Termination. The membership of a member shall terminate upon the occurrence of any of the following events:

- (1) Upon his or her notice of such termination delivered to the president and secretary of the corporation personally or by mail or email, such membership to terminate upon the date of delivery of the notice.
- (2) Upon a determination by the board of directors that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the corporation.
- (3) Upon a failure to renew his or her membership by paying dues on or before their due date, such termination to be effective thirty (30) days after a written notification of delinquency is given personally or mailed or emailed to such member by the membership chair of the corporation. A member may avoid such termination by paying the amount of delinquent dues within a thirty- (30) day period following the member's receipt of the written notification of delinquency.

(b) Procedure for Expulsion. Following the determination that a member should be expelled under subparagraph (a)(2) of this section, the following procedure shall be implemented:

(1) A notice shall be sent by first-class or registered mail to the last address of the member as shown on the corporation's records or emailed to the address on file, setting forth the expulsion and the reasons therefor. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion.

(2) The member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not less than five (5) days before the effective date of the proposed expulsion. The hearing will be held by the board of directors in accordance with the quorum 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.

(3) 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.

(4) If this corporation has provided for the payment of dues by members, any person expelled from the corporation shall receive a refund of dues already paid. The refund shall be prorated to return only the unaccrued balance remaining for the period of the dues payment.

SECTION 5.11. RIGHTS ON TERMINATION OF MEMBERSHIP

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

SECTION 5.12. AMENDMENTS RESULTING IN THE TERMINATION OF MEMBERSHIPS

Notwithstanding any other provision of these bylaws, if any amendment of the articles of incorporation or of the bylaws of this corporation would result in the termination of all memberships or any class of memberships, then such amendment or amendments shall be effected only in accordance with the provisions of Section 5342 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 6. MEETINGS OF MEMBERS

SECTION 6.1. CONDUCT OF MEETINGS

Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with any provision of law.

Meetings of members shall be presided over by the 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, by a chairperson chosen by a majority of the voting members, present in person. The secretary of the corporation shall act as secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

SECTION 6.2. PLACE OF MEETINGS

Unless otherwise announced, a General Membership meeting will be held monthly. The location and the time of each meeting will be announced in the corporation's monthly Newsletter and on the Website. A voting quorum will consist of 10% of the corporation's active members is required to conduct corporation business. The members present at a duly called and held meeting at which a quorum is initially present may continue to do

business notwithstanding the loss of a quorum at the meeting due to a withdrawal of members from the meeting provided that any action taken after the loss of a quorum must be approved by at least a majority of the members required to constitute a quorum.

SECTION 6.3. STEERING COMMITTEE MEETINGS

For the purpose of conducting corporation's day-to-day business, a regular Steering Committee meeting will be held monthly on a date announced in advance in the monthly Newsletter, on the Website, at a General Membership meeting, or by email to the Active Members. Five Active Members, which must include at least three (3) Elected Officers, must be present for a quorum. The members present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of members from the meeting provided that any action taken after the loss of a quorum must be approved by at least a majority of the members required to constitute a quorum. All Active Members are encouraged to attend Steering Committee meetings and are eligible to vote. Any item brought to a vote requires a majority vote for approval. Special Steering Committee meetings will be held, as necessary, at the discretion of the President with announcement to the Membership as noted above.

SECTION 6.4. THE KOI SHOW

The Corporation's Annual Koi Show will be that month's General Membership meeting and business meeting activities may be suspended or curtailed.

SECTION 6.5. SPECIAL MEETINGS OF MEMBERS

(a) Persons Who May Call Special Meetings of Members. Special meetings of the members shall be called by the Steering Committee or the President of the corporation. In addition, special meetings of the members for any lawful purpose may be called by five percent (5%) or more of the members.

SECTION 6.6. MAJORITY ACTION AS MEMBERSHIP ACTION

Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members, unless the law, the Articles of Incorporation of this corporation, or these bylaws require a greater number.

SECTION 6.7. VOTING RIGHTS

Each member is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by voice vote. Election of directors, however, shall be by ballot.

SECTION 6.8. VOTING PROCEDURE

Votes may be cast by Members either in person at the properly noticed Membership meeting, or electronically. Electronic votes will be counted towards quorum.

The Board of Directors shall deliver, or cause to be delivered:

- a) a notice stating those matters that the Board intends, at the time the notice is given, to present to the Members for action and context to help the Members understand those matters;
- b) an electronic ballot to Members.

The notice shall be given at least fourteen days before an election or a vote.

The electronic ballot shall identify

- all the nominees or, as it relates to any other vote, the proposed action;
- include the opportunity to specify approval or disapproval of the proposed action;
- the date and time by which the vote must be cast.

The balloting process for amendments to governing documents shall be submitted to the Membership in a similar manner as the election for the Board.

Voting can begin upon receipt of the electronic ballot materials.

The proposed action shall be considered approved if (a) within the time period specified the number of votes cast by ballot and in person equals or exceeds the quorum required to be present at a meeting authorizing the action, and (b) the number of approvals equals or exceeds the number of votes that would be required for approval.

Within fifteen (15) days of the election or vote, the Board shall publicize the results of the election or vote in a communication directed to all Members

SECTION 6.9. ACTION BY WRITTEN BALLOT WITHOUT A MEETING

Any action which may be taken at any regular or special meeting of members may be taken without a meeting if the corporation distributes a written ballot to each member entitled to vote on the matter. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of each proposal, provide that where the person solicited specifies a choice with respect to any such proposal the vote shall be cast in accordance therewith, and provide a reasonable time within which to return the ballot to the corporation. Ballots shall be mailed or email to the member address listed in the roster.

All written ballots shall also indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The ballots must specify the time by which they must be received by the corporation in order to be counted.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Directors may be elected by written ballot. Such ballots for the election of directors shall list the persons nominated at the time the ballots are mailed or delivered. If any such

ballots are marked “withhold” or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, they shall not be counted as votes either for or against the election of a director.

A written ballot may not be revoked after its receipt by the corporation or its deposit in the mail, whichever occurs first.

SECTION 6.10. REASONABLE NOMINATION AND ELECTION PROCEDURES

This corporation shall make available to members reasonable nomination and election procedures with respect to the election of directors by members. Such procedures shall be reasonable given the nature, size, and operations of the corporation, and shall include:

- (a) A reasonable means of nominating persons for election as directors.
- (b) A reasonable opportunity for a nominee to communicate to the members the nominee’s qualifications and the reasons for the nominee’s candidacy.
- (c) A reasonable opportunity for all nominees to solicit votes.
- (d) A reasonable opportunity for all members to choose among the nominees.

Upon the written request by any nominee for election to the board, the corporation shall, within ten (10) business days after such request email to all members, any material which the nominee shall furnish and which is reasonably related to the election.

If the corporation distributes any written election material soliciting votes for any nominee for director at the corporation’s expense, it shall make available, at the corporation’s expense, to each other nominee, in or with the same material, the same

amount of space that is provided any other nominee, with equal prominence, to be used by the nominee for a purpose reasonably related to the election.

Generally, any person who is qualified to be elected to the board of directors shall be nominated at the annual meeting of members held for the purpose of electing directors by any member present at the meeting in person or by proxy.

SECTION 6.11. CALENDAR FOR ELECTIONS

(a) APRIL'S GENERAL MEMBERSHIP MEETING

- Nominations will be open for all Elected Officers;
- Nominations may be made at the General Membership meeting or mailed to the Nominating Committee Chairman in sufficient time to be received prior to May 1st;
- Individuals with a desire to hold an Appointed Office should contact an Elected Officer or the Nominating Committee Chairman to express their interest; and
- A nomination can only be made by an Active Member.

(b) MAY'S GENERAL MEMBERSHIP MEETING

- The candidates for the corporation's Elected Officers will be presented by the Nominating Committee Chairman at the May General Membership meeting; and
- Absentee ballots may be requested from corporation's Secretary for those unable to attend the voting at the June meeting and a completed absentee ballot must be received by the Secretary by the Friday prior to the June General Membership meeting.

(c) JUNE'S GENERAL MEMBERSHIP MEETING

- The candidates for corporation's Elected Officers will be distributed as part of the June Newsletter;
- The election will be conducted by the President;
- The names of the newly Elected Officers will be announced following the election and the results of the election will be published on the Website and in the July Newsletter; and
- The new Elected Officers will assume their respective positions no later than the first of July.

SECTION 6.12. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Except as otherwise provided in these bylaws, any action required or permitted to be taken by the members may be taken without a meeting, if all members shall individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

SECTION 6.13. RECORD DATE FOR MEETINGS

The record date for purposes of determining the members entitled to notice, voting rights, written ballot rights, or any other right with respect to a meeting of members or any other lawful membership action, shall be fixed pursuant to Section 5611 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 7. COMMITTEES

SECTION 7.1. STEERING COMMITTEE

The Steering Committee will serve in the advisory role to the Board of Directors and will consist of the Elected Officers, Appointed Officers and all Active Members in attendance at a Steering Committee meeting.

SECTION 7.2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. Such other committees may consist of persons who are not also members of the board. These additional committees shall act in an advisory capacity only to the board and shall be clearly titled as “advisory” committees.

SECTION 7.3. 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. Exceptions being that the time for regular meetings of committees may be fixed by resolution of the board of directors or by the committee. The time for special meetings of committees may also be fixed by the board of directors. 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 8. EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

SECTION 8.1. 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 8.2. 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.

SECTION 8.3. 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 8.4. GIFTS

The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or device for the charitable or public purposes of this corporation.

ARTICLE 9. AWARDS

SECTION 9.1. Koi Person of the Year

Each year the President may personally recognize an Active Member who, in his or her opinion, has made significant contributions to the corporation during the previous

calendar year. The selection is a thank you from the corporation for “going the extra mile” and will be announced not later than April of the following year.

The corporation’s Koi Person of the Year will:

- Receive a framed certificate from Associated Koi Clubs of America; and
- Be recognized in the corporation’s Newsletter and Website as well as at a General Membership meeting.

SECTION 9.2. Friendship Award

As a gesture of support to another club’s Koi shows the corporation may present this award to a deserving participant in the corporation’s Koi show. During the event, designated representatives of the corporation will select a “special” fish from all the show’s entrants. The Friendship Award will be presented at the respective Koi show awards ceremony/banquet by either a Member of the corporation or delivered to that club’s Show Chairman for presentation on behalf of the corporation.

ARTICLE 10. CORPORATE RECORDS AND REPORTS

SECTION 10.1. MAINTENANCE OF CORPORATE RECORDS

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

(a) Minutes of all meetings of directors, committees of the board, and of all meetings of members where Club business is conducted, 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;
- (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;
- (e) The corporate records shall be maintained in physical or digital form;
- (f) Accounting shall be done utilizing an industry standard accounting software;
- (g) The President shall maintain the logins and passwords to all of the software packages used by the corporation or containing any corporate data and receive a backup of the corporate data monthly at or before the Steering Committee meeting.

SECTION 10.2. 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 10.3. MEMBERS' INSPECTION RIGHTS

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 five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested.
- (b) To obtain from the Membership Chair, 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.

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

SECTION 10.4. RIGHT TO COPY AND MAKE EXTRACTS

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

SECTION 10.5. ANNUAL REPORT

The board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all directors of the corporation and to any member who requests it in writing, which report shall contain the following information in appropriate detail:

(a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;

(e) Any information required by Section 8.6 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 10.6. TAX PREPARATION

The annual tax returns shall be prepared by a qualified CPA or EA within 60 days of the close of the fiscal year, which is December 31st of each year.

- (a) The board of directors shall approve/ratify the CPA or EA annually by a 2/3 vote each March meeting of the Steering Committee.
- (b) The annual tax returns must be filed no later than the 15th day of the fourth month following the close of the fiscal year.
- (c) Filed tax returns shall be presented to the board of directors at the May Steering Committee meeting and shall be stored in the possession of the President.

SECTION 10.7. 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:

(a) 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

(b) 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.

If this corporation has any members and provides all members with an annual report according to the provisions of Section 6 of this Article, then such annual report shall include the information required by this Section.

ARTICLE 11. FISCAL YEAR

SECTION 11.1. FISCAL AND OPERATING YEAR OF THE CORPORATION

The fiscal year of the corporation shall begin on January 1st and end on December 31st in each year. The operating year for the purposes of officer terms and elections will begin July 1st and end June 31st.

ARTICLE 12. CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

SECTION 12.1. 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 12.2. DEFINITIONS

(a) 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.

(b) Financial Interest.

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

- (1) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the 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 b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

SECTION 12.3. CONFLICT OF INTEREST AVOIDANCE PROCEDURES

(a) Duty to Disclose.

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

(b) Determining Whether a Conflict of Interest Exists.

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

(c) Procedures for Addressing the Conflict of Interest.

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.

(d) 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 12.4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS

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

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

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

SECTION 12.5. COMPENSATION APPROVAL POLICIES

A voting member of the governing board may not receive compensation, directly or indirectly, from the corporation for services.

When approving compensation for 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:

(a) The terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.

(b) 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):

1. is not the person who is the subject of compensation arrangement, or a family member of such person
2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
4. has no material financial interest affected by the compensation arrangement; and
5. 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.

(c) 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:

1. 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
2. the availability of similar services in the geographic area of this organization
3. current compensation surveys compiled by independent firms; and
4. 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.

(d) 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:

1. the terms of the compensation arrangement and the date it was approved
2. 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
3. the comparability data obtained and relied upon and how the data was obtained

4. 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
5. 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
6. 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).

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 12.6. ANNUAL STATEMENTS

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

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands the 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 12.7. 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:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the 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 12.8. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section 10.7, the corporation may, but need not, use outside advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE 13. AMENDMENT OF BYLAWS

SECTION 13.1. AMENDMENT

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted as follows by approval of the members of this corporation.

ARTICLE 14. AMENDMENT OF ARTICLES

SECTION 14.1. AMENDMENT OF ARTICLES BEFORE ADMISSION OF MEMBERS

Before any members have been admitted to the corporation, any amendment of the articles of incorporation may be adopted by approval of the board of directors.

SECTION 14.2. AMENDMENT OF ARTICLES AFTER ADMISSION OF MEMBERS

After members, have been admitted to the corporation, amendment of the articles of incorporation may be adopted by the approval of the board of directors and by the approval of the members of this corporation.

SECTION 14.3. CERTAIN AMENDMENTS

Notwithstanding the above sections of this Article, this corporation shall not amend its articles of incorporation to alter any statement which appears in the original articles of incorporation of the names and addresses of the first directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a “Statement by a Domestic Nonprofit Corporation” pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE 15. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

SECTION 15.1. 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.

WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS

We, the undersigned, are all of the persons acting as the initial directors of _____, a California nonprofit corporation, and, pursuant to the authority granted to the directors by these bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing bylaws, consisting of _____ pages, as the bylaws of this corporation.

Dated: _____

_____, Director

_____, Director

_____, Director

_____, Director

_____, Director

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the bylaws of the corporation named in the title thereto and that such bylaws were duly adopted by the board of directors of said corporation on the date set forth below.