

Bylaws for Friends of Capitol Mansions Association

A California Non-profit Public Benefit Corporation

ARTICLE 1. PURPOSE

Section 1: Organization

The name of the organization shall be Friends of Capitol Mansions Association, hereafter referred to as the Association.

Section 2: Purpose

The purposes for which the Association is organized are:

- a) To enhance the livability of the area by establishing and maintaining an open line of communication and liaison between the neighborhood, government agencies, and other neighbors and neighborhood associations.
- b) To provide open process by which the interests of all members of the neighborhood may be served as members involve themselves in the affairs of the neighborhood.
- c) To be organized for the preservation of the district; promotion of beauty, safety, and infrastructure enhancement; promotion of diversity in residents; and other educational, scientific, and charitable purposes that are compatible with the above. Notwithstanding any statement of purpose or powers aforesaid, this association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its specific purposes. The Association shall not participate in any political campaign of any candidate for public office.
- d) This association is a nonprofit public benefit corporation and is not organized to the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.

ARTICLE II. DEDICATION OF ASSETS

The properties and assets of the Association are irrevocably dedicated to social welfare purposes. No part of the net earnings, properties, or assets of the Association, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member or Board member of the Association. Upon the liquidation or dissolution of the Association, all of its property, assets, and obligations shall be distributed and paid over to an organization dedicated to similar charitable purposes, provided that said organization is dedicated to the exempt purposes as specified in Internal Revenue Code Section 501 (c) (3).

ARTICLE III. MEMBERSHIP

Section 1: Membership in the Association shall be open to all who share in the purpose of the organization as outlined in Article I, Section 2 of these By-Laws. To become a member, a membership application must be completed and filed with the Association Secretary and annual dues must be paid.

ARTICLE IV. FUNDING

Section 1: Dues

Annual dues will be set forth by a resolution of the Board of Directors.

Section 2: Contributions

Voluntary Contributions will be accepted.

ARTICLE V. MEETINGS

Section 1: General Membership Meetings

There shall be at least four general membership meetings yearly, held on days decided upon by the majority vote of the Board of Directors. Notification for all general meetings shall require seven (7) days advance notice to all members of the Association.

Section 2: Annual Meeting

The general membership meeting following first after the beginning of the calendar year shall be designated as the annual meeting. At this meeting:

- a.) The President shall report on the state of the Association
- b.) The Treasurer shall give an annual financial report
- c.) The elections for Members of the Board shall be held.

Section 3: Special Meetings

A special meeting of the membership may be called by the President or by a majority of the Board of Directors as deemed necessary. Notification and purpose of the special meeting shall require seven days advance written, electronic, or telephone notice to all members.

Section 4: Agenda

The President shall prepare the agenda for general and special meetings of the membership. Any member may have an item placed on the agenda by submitting it in writing to the President at least seven days in advance of the membership meeting. Any member present may move to add an item to the agenda at any meeting of the Association. Adoption of the motion requires a second and a majority vote.

Section 5: Quorum

A quorum for any general meeting of the Association shall be a majority of members present for decisions related to Board elections and property development in or near the district or related issues. Unless otherwise specified in these By-laws, the Board shall be the voting body responsible for the business of the Association, with the aforementioned exceptions, and a majority of the Board members shall be necessary for business decisions to be made.

Section 6: Participation

Any general, special, or committee meeting is open to any person and all that may wish to be heard; however, only members in good standing are entitled to vote in elections or decisions regarding developments. Only members of the Board shall be entitled to vote on other matters of business. All actions or recommendations of the general or special meetings shall be communicated to all affected parties, including minority reports.

Section 7: Voting

All members 18 years of age or older shall have one vote each to be cast during attendance at any general or special meeting. Property or business owners who are part of LLCs or other corporate organization structures are entitled to one vote per such organization.

Section 8: Procedures

The Association shall follow Roberts Rules of Order (revised) in all areas not included by these bylaws.

ARTICLE VI. BOARD OF DIRECTORS

Section 1: Composition of the Board

The Board of Directors (hereafter referred to as the Board) shall be composed of five members.

Section 2: Duties of the Board

Management: The Board shall manage the affairs of the Association in the interim between general meetings. The Board shall be accountable to the membership, shall seek the views of those affected by any proposed policies or reactions before adopting any recommendation or taking action on the part of the Association; and shall strictly comply with these bylaws.

Vacancies: The Board may fill any vacancy on the Board or Committee by majority vote of the Board. A member appointed to fill a vacancy shall serve the remainder of the unexpired term.

Board Meetings: The Board shall meet four times per year, at least 14 days prior to any general meeting or at any other time the President may designate as necessary. A majority of Board members may also call a Board, general, or special meeting as necessary. These meetings shall be open to all members; however, only Board members may vote. A quorum for Board meetings shall be 50% plus one (i.e., 3) Board members. Decision shall be made by majority vote.

Emergency Powers: In cases where the Board is required to provide neighborhood response before the question is presented to the membership, the Board must indicate to the questioner that this is the case, and shall present any action taken at a meeting within 30 days for ratification by the membership at large.

ARTICLE VII. ELECTION OF BOARD MEMBERS

Section 1: Eligibility

Only members shall be qualified to hold an elected position.

Section 2: Term of the Board

Members of the Board shall be elected to serve for two years.

Section 3: Numbering of Seats

The board seats shall be numbered from one through five, and these number designations shall remain and determine the year of election. Even-numbered seats will be elected in even-numbered years, and odd-numbered seats will be elected in odd-numbered years.

Special Circumstance: The first election of the Board, being in an even-numbered year, will elect even-numbered seats for three years. Subsequent to this first election, seats will all have terms of two years.

Section 4: Method of Election

Elections shall be held at the annual meeting. Candidates shall be nominated from the floor and/or by nominating committee as appointed by the President. Election requires a majority of members present. If more than two candidates are nominated, multiple ballots shall be used, eliminating the candidate with the fewest votes with each ballot until a majority is reached.

Section 5: Impeachment

Any member in an elected office may be removed from office by a 2/3 vote of the membership at a general or special meeting. Removal does not require cause.

ARTICLE VIII. OFFICERS

Section 1: Titles

The Board shall elect from among its members a President, Vice President, Secretary, Treasurer, and Member-at-Large at the first Board meeting following the Annual meeting.

Section 2: Duties

President: The President shall prepare the agenda and preside at all meetings of the Board and membership; shall appoint chairs of committees with majority approval of the Board.

Vice-President: The Vice President shall assist the President and preside at meetings in the President's absence.

Secretary: The Secretary shall keep minutes and written records of the majority and minority opinions expressed at all meetings; shall be responsible for all correspondence of the Association to individuals; shall make records of the Association available for inspection for any legal request within ten days.

Treasurer: The Treasurer shall be accountable for all funds; shall maintain a bank account per the Board's direction; shall give an account at each general meeting; shall receive, safeguard, and disburse Association funds after obtaining a signature from another officer of the Board.

Member-at-Large: The Member-at-Large shall assist in Association matters as requested by the President, but shall not have specific permanent duties.

Section 3: Fees and Compensation

Board members shall receive no compensation for their services. Reasonable and necessary expenses approved by the Board in advance shall be reimbursed. Reasonable and necessary expenses incurred without prior approval may be approved by the Board if submitted for reimbursement in a timely manner.

ARTICLE IX. COMMITTEES

Section 1: Standing Committees

The following Standing Committees shall be instituted to be responsible for the long-standing programs/activities of the Association. The chairpersons of committees shall be appointed by the President with Board approval. The chairperson(s) may be dismissed without cause by the President with Board approval. Standing Committees shall be:

- Technology Use/Public Relations/Newsletter
- Government and Community/Grievance
- Membership

Section 2: Ad-hoc Committees

The President shall institute with the majority agreement of the Board such other committees deemed necessary to transact the business of the Association. The chairperson or each of these committees shall be appointed by the President with the approval of the Board, and chairpersons may be dismissed without cause by the President with the approval of the Board.

ARTICLE X. GRIEVANCE PROCEDURE

Section 1: Person or Group Adversely Affected

A person or group adversely affected by a decision or policy of the Association may submit a complaint in writing to any member of the Government/Community Committee.

Section 2: Receipt of Complaint

Within seven days of receipt of the complaint, at least two members of the committee shall arrange to meet with the complainant at a mutually acceptable place and time for a review of the complaint. Within 30 days, the Committee shall recommend a resolution of the grievance to the Board at its next regularly scheduled meeting.

Section 3: Final Resolution

The Committee shall attempt to find a resolution of the complaint and shall submit a report of their recommendation to the Board for inclusion in the minutes of the next regularly scheduled meeting. If the Board and complainant cannot reach agreement, final resolution shall be by majority vote of members present at the next regularly scheduled general or special meeting.

ARTICLE XI. PROCEDURE FOR CONSIDERATION OF PROPOSALS

Section 1: Execution

The Board shall be responsible for executing this article.

Section 2: Submission of Proposals

Any person or group, inside or outside of the Association boundaries, and any City agency may propose in writing items for consideration and/or recommendation to the Association. The Board shall be responsible for placing

the item on the next Agenda for discussion and/or action. Whether the item comes to the General Meeting as a report of action taken or action to be considered by the membership shall be determined by the Board, with the understanding that any action undertaken by the Board must be ratified at the next General Meeting.

Section 3: Notification

Notice of possible action to be undertaken by the Board must be made to all affected parties no less than seven days in advance of the Board meeting, special meeting, or general meeting where the item is to be decided upon.

Section 4: Attendance

The proponent may attend this meeting to make a presentation and to answer questions from the members about the proposal. Opposing views shall also be heard, and shall be given time equivalent to that given the proponent.

Section 5: Dissemination

The Association shall submit recommendations and dissenting views as recorded from the meeting to the proponent and on the Association's online forum or forums.

ARTICLE XII. ADOPTION AND AMENDMENT OF BYLAWS

Section 1: Adoption

Adoption of these bylaws shall require a 2/3 ratification vote of members present at the first general meeting of 2018. By-Laws shall be reviewed annually by the Board, prior to the first general meeting of the calendar year.

Section 2: Amendments

Amendments to the Bylaws shall be made at any general or special meeting. Members shall be made aware of any proposed changes or additions to the bylaws through written or telephone notice at least seven days in advance of the meeting where the amendments are on the agenda. Adoption of amendments shall require a 2/3 vote of members by electronic or ballot vote.

ARTICLE XIII. BOUNDARIES

Section 1: Boundaries

Boundaries of the Association shall be defined as the centerline of all right-of-ways and projections as follows: The area within the City of Sacramento bounded by 21st, N, 28th, and K Streets. (See attached map.)

ARTICLE XIV. MISCELLANEOUS

Section 1: Commercial Paper

All checks, drafts, or orders for payment of money, notes, or other evidence of indebtedness, issued in the name of the Association shall be signed or endorsed by at least two signatories designated by the Board when such funds are outside Board approved budgets or expenditures. Board-approved expenditures shall require a single signatory.

Section 2: Contracts

The Board must authorize any officer to enter into any contract or execute any instrument in the name of the Association.

Section 3: Indemnification

The Association, by action of the Board, shall have the power to indemnify corporate agents pursuant to the California Nonprofit Public Benefit Corporation Law.

Section 4: Corporate Tax Year

The corporate tax year for the Association shall be the calendar year.

Section 5: Corporation agent and address

The initial agent of service for California Corporation purposes shall be Athol Wong, 1311 22nd Street, Sacramento 95816. This address shall also serve as the meeting address.

Article XV. RECORDS AND REPORTS

Section 1: Records

The Association shall keep the following:

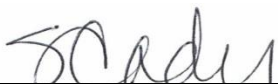
- a.) Adequate and correct books and records of financial accounts and transactions;
- b.) Written minutes of Board and quarterly Association meetings;
- c.) A record of members, including names, addresses, email addresses, and date of dues paid.

Section 2: Inspection by Members or the Public at Large

- a.) Records (XV.1) may be inspected and copied pursuant to Federal Request for Information law. A minimum of ten (10) days after receipt of written request must be allowed with any demand for copies of records.
- b.) The Board may reject the request if it is for commercial purposes.
- c.) A fee for preparation and copying may be assessed.
- d.) Records may be redacted to protect personal information of members as allowed by law.

Certificate of Secretary

I, the undersigned, certify that I am the presently elected Secretary of this Association. The above bylaws, consisting of these six pages and 12 Articles, are the bylaws of the Association as adopted by the members on January 8, 2018.



Susan Cady, Secretary

AMENDMENT TO BYLAWS
of
Friends of Capitol Mansions Association

Hereby Article I of the bylaws of this corporation is amended to state as follows:

ARTICLE I. PURPOSE

Section 3: IRC Section 501(c)(3) Purposes

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

Hereby the following articles are added to the corporate bylaws to state as follows:

Article XVI. IRC 501(c)(3) TAX EXEMPTION PROVISIONS

Section 1: Limitations on Activities

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

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

Section 2: Prohibition Against Private Inurement

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

Section 3: Distribution of Assets

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

Section 4: Private Foundation Requirements and Restrictions

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

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

- 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 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 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 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 directors, officers and 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:

- 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 the 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 the compensation arrangement;
 - 3. does not receive compensation or other payments subject to approval by the person who is the subject of the 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, 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;
 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. 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;
 5. 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;
 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);

7. 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:

- 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 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 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. Compensation of Directors, Officers, and Executive Director

Section 1: Compensation of Directors

The directors of this corporation shall serve without compensation. However, they shall be allowed reasonable advancement or reimbursement of expenses incurred

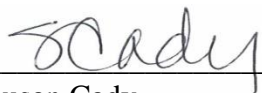
in the performance of their duties. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article XVII hereof.

Section 2: Compensation of Officers and Executive Director

The salaries of the officers and of the executive director, if any, shall be fixed from time to time by resolution of the board of directors. In all cases, any salaries received by officers and the executive director of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation. All such salaries shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article XVII hereof.

ADOPTION OF THE AMENDMENT

I, the undersigned, certify that I am the presently elected and acting secretary of Friends of Capitol Mansions Association, and the above amendment to bylaws was adopted by a 2/3 vote of the total number of directors present and voting at a duly noticed meeting of the board at which the required quorum was present and which was held on May 19, 2018.



Susan Cady

May 19, 2018

Date