

**BYLAWS OF  
THE FRIENDS OF  
MONTEBELLO UNIFIED SCHOOL DISTRICT FOUNDATION  
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

**ARTICLE 1  
OFFICES**

**SECTION 1. PRINCIPAL OFFICE**

The Friends of the Montebello Unified School District Foundation (hereafter “Foundation” or “Corporation”) shall have and continuously maintain within the jurisdiction of the Montebello Unified School District, a principal office for the transaction of the corporation’s business.

**SECTION 2. OTHER OFFICES**

The Foundation may have offices at such other places within Los Angeles County as its business may require.

**ARTICLE 2  
PURPOSES AND LIMITATIONS**

**SECTION 1. GENERAL PURPOSES**

This Foundation is a nonprofit public benefit corporation organized for public and charitable purposes under the California Nonprofit Public Benefit Corporation Law.

**SECTION 2. SPECIFIC PURPOSES**

The Foundation shall be dedicated to serving in support of the Montebello Unified School District (“the District”). Within the context of the general purposes stated above, this Foundation shall be operated to promote/underwrite/support education opportunities for children, staff and families who are enrolled in, employed by, or participate in the educational programs offered by the Montebello Unified School District in Los Angeles County and this Foundation shall be organized to primarily assist the Montebello Unified School District in furthering its educational mission. To promote its effectiveness, the Foundation shall be an autonomous organization governed and operated independently from the District.

**SECTION 3. LIMITATIONS**

- A. This Foundation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986. Notwithstanding any other provision of these articles, this Foundation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this nonprofit corporation, and the Foundation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding provision of any United States Internal Revenue law.

- B. No substantial part of the activities of this Foundation shall consist of lobbying or propaganda or otherwise attempting to influence legislation except as provided in Section 501(h) of the Internal Revenue Code of 1986 and the Foundation shall not participate or intervene (including publishing or distributing statements) in any political campaign on behalf of or in opposition to any candidate for public office except as provided in such Section 501(h).
- C. The Foundation's property is irrevocably dedicated to the purposes set forth above. No part of the revenues received or earned by this Foundation shall ever inure to the benefit of any of the Foundation's directors or to the benefit of any other private person.
- D. Upon the dissolution and winding up of the business and charitable endeavors of this Foundation, in the event that the Foundation has any assets remaining after payment, or provision for payment, of all of the Foundation's debts and liabilities by the Board of Directors for this Foundation shall distribute to a nonprofit corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code and under Section 23701d of the California Revenue and Taxation Code or the corresponding section of any future federal or California revenue law, all remaining assets of this Foundation.
- E. The Foundation shall not have any members within the meaning of Section 5056 of the California Corporations Code.

### **ARTICLE 3 DIRECTORS**

#### **SECTION 1. POWERS**

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation and these Bylaws, the activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised by or under the direction of the Foundation's Board of Directors.

#### **SECTION 2. NUMBER OF DIRECTORS**

The Foundation shall have not less than five (5) nor more than twenty-one (21) Directors and collectively they shall be known as the Board of Directors (the "Board"). The minimum and maximum number of Board members that may be permitted may be changed by amendment of this Bylaw. \*Amended January 2016

#### **SECTION 3. DUTIES**

Without prejudice to the general powers, and subject to the same limitations, it shall be the duty of the Directors to:

- A. Perform any and all duties imposed on them, collectively or individually, by law, by the Articles of Incorporation of the Foundation, or by these Bylaws;
- B. Attend and participate at the regular, annual, and special meetings enumerated in Article 4 of these Bylaws. Directors who have missed three consecutive meetings of the Board of Directors will be contacted by the President or designee to determine the circumstances regarding their absences and lack of participation. Directors who indicate that they no

longer are able to participate shall be directed to submit a resignation under Article 3, Section 8 of these Bylaws. The Board of Directors, at its sole discretion, may consider any and all other circumstances and situations regarding the lack of attendance and participation of the Director and shall determine at its sole discretion, whether the circumstances/situations preclude the Director's attendance and participation at the meetings, and whether there is sufficient reason to warrant further participation of the Director as part of the Foundation. The Board of Directors may initiate any action that the Board deems appropriate regarding the Director including the suspension or removal of the officer pursuant to Article 3, Section 8 of these Bylaws;

- C. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of the Executive Director;
- D. Supervise the Executive Director to ensure that his/her duties are performed properly;
- E. Meet at such times and places as required by these Bylaws;
- F. Register their addresses and email addresses with the Secretary of the Foundation and notices of meetings mailed to them at such addresses shall be valid notice thereof;
- G. Change the principal executive office or the principal business office in the State of California from one location to another. Designate any place within the State of California for the holding of any meeting or meetings, including annual meetings;
- H. Adopt, make and use a corporate seal, and alter the form of the seal;
- I. Borrow money and incur indebtedness on behalf of the Foundation and cause to be excused and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt securities.

#### **SECTION 4. TERM OF OFFICE AND ELIGIBILITY TO SERVE AS DIRECTOR**

- A. Except for the ex officio voting directors described below, the term of office for elected directors shall be three (3) years. Each director may serve up to two (2) consecutive terms, or a total of six (6) years.
- B. Any Board member who serves two (2) consecutive terms must voluntarily resign from the Board of Directors. In order to serve an additional three (3) year term as a member of the Board of Directors, resigning Board members must be nominated, agree to serve, and re-elected by a majority of Board, as delineated in Section 4.1. This same process is required in order for resigning Board members to serve additional successive three (3) year terms after their third term.
- C. Except as provided in Section 4.2 of these Bylaws, for purposes of maintaining the Foundation's autonomy and to avoid any conflict of interest, any person who is employed on a full-time basis by the District or serves on the Board of Education for the District shall not be eligible to serve as a Director of the Foundation. However, this provision does not preclude former or retired employees or former or retired members of the Board of Education for the District from being eligible to serve as a Director of the Foundation. In addition, this provision does not preclude substitute teachers or other part-time employees of the District from being eligible to serve as a Director or officer of the Foundation.

#### **SECTION 4.1 NOMINATIONS OF BOARD MEMBERS**

The Nominations Committee, as defined in Article 5, shall nominate qualified candidates for election to the Board and shall provide the Board with a list of candidates so nominated. Successors

for Directors whose terms of office are expiring shall be elected at the Annual Meeting of the Directors in the year such terms expire. However, if any such Annual Meeting is not held, or the Directors are not elected at the meeting, or successor Directors are needed to replace elected directors who have resigned or been removed, Directors may be elected at any meeting of the Board.

#### **SECTION 4.2 EX OFFICIO BOARD MEMBERS**

Ex officio voting Directors shall include a senior administrator at the Montebello Unified School District recommended by the Superintendent. Each ex officio Board member who is recommended shall be elected to serve a one (1) year term and may have his/her term extended from year to year as determined by the Nominations Committee and ratified by the Board of Directors for the Foundation.

#### **SECTION 5. VOTING**

- A. Each Director shall have one (1) vote. There shall be no proxy voting permitted for the transaction of any business of the Foundation.
- B. Board members may vote by participating in a Board meeting via telephone conference, email, electronic video screen communication, or other generally available communication technology approved by the Board.
- C. The President may arrange for a vote of the Board of Directors to be conducted via email, provided that notification of such vote is provided to all Board members at least one (1) day prior to voting. Any action approved by the Board of Directors via email will be effective and binding if:
  - 1. Adequate notice was given;
  - 2. A quorum of Board members participated in the vote; and
  - 3. A majority of the participating Board members voted to approve that action.

Any action approved by email vote may be rescinded or modified by the Board of Directors during any Board meeting conducted after the email vote.

#### **SECTION 6. COMPENSATION**

Directors shall serve without compensation. Directors may receive advances for, or reimbursement of, actual and reasonable expenses incurred in the performance of their regular duties as specified in Article 3.

#### **SECTION 7. 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 at any time may be interested persons. For purposes of this Section, "interested persons," is (1) any person currently being compensated by the Foundation 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 (2) any brother, sister, ancestor, descendant, spouse, brother-in law, sister-in-law, son-in law, daughter-in-law, mother-in-law, or father-in-law of any such person. Any violation of the provisions of this section shall not affect the validity or enforcement of any transaction entered into by the Corporation.

## **SECTION 8. RESIGNATIONS AND REMOVAL OF DIRECTORS**

- A. Any Director may resign effective upon giving written notice to the President of the Foundation, or the Secretary of 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.
- B. The Board, by affirmative vote of a two-thirds (2/3) majority of the Directors present and voting, may suspend or remove any Director without cause at any regular or special meeting, provided that the Director to be removed has been notified at least five (5) calendar days prior to Board action, and in writing, in the manner as set forth in Article 8, Section 6 of these Bylaws.
  - 1. The Board, at its sole discretion, by affirmative vote of a two-thirds (2/3) majority of the Directors present and voting at any regular or special meeting, can set the length and duration of the suspension of a Director, and the conditions under which the suspension can be lifted or ended.
  - 2. The Board may reinstate a Director from being suspended by an affirmative vote of a two-thirds (2/3) majority of the Directors present and voting at any regular or special meeting.
- C. 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 of care applicable to Board of Directors under California's Nonprofit Public Benefit Corporation Law.
- D. Vacancies on the Board of Directors shall exist on the death, resignation, or removal of any Director. Such vacancies may be filled by approval of the Board. Each Director so elected shall hold office for the remainder of the previous Director's term and may be elected to a three (3) year term at the subsequent annual or other meeting of the Board.
- E. No reduction of the authorized number of Directors pursuant to these Bylaws shall have the effect of removing any Director before that Director's term of office expires.

## **SECTION 9. APPOINTMENT AND DESIGNATION OF TERM OF INITIAL BOARD OF DIRECTORS**

- A. At the first regular meeting of the Board of Directors for the Foundation, the incorporators for the Foundation shall nominate and elect at least five (5) persons as the initial Board of Directors for the Foundation.
- B. Upon election, the Board members so elected shall determine the length of terms to serve, providing for an equal division of staggered years of service so that thereafter one third (1/3) of the Board shall rotate off the Board or stand for nomination and election. Thereafter, the Board of Directors shall follow the procedures for nominating and electing Board members as provided for in this Article.
- C. Following the election of the initial Board of Directors, the Board of Directors shall nominate and elect such temporary officers as appropriate, and shall hold office until the first annual meeting of the Foundation, and shall also appoint and confirm any ex-officio Board member who has been designated for service to the Board. Thereafter the provisions of these Bylaws shall be followed for the election of officers and appointment of ex-officio Board members.

## **ARTICLE 4 MEETINGS**

### **SECTION 1. PLACE OF MEETINGS**

Meetings shall be held at such place within or outside of the jurisdiction of the Montebello Unified School District, which has been designated from time to time by the Board of Directors with sufficient notice as provided in Article 4, Section 4.

### **SECTION 2. REGULAR AND ANNUAL MEETINGS**

- A. The Board of Directors shall determine the dates and times of regular and annual meetings. Notwithstanding the latter, the Board shall hold no less than four (4) regular meetings, on a quarterly basis, in each calendar year.
- B. The Board of Directors shall also conduct and hold an annual meeting separate and apart from any regular meeting. Unless waived or allowed by Board action, the annual meeting shall be held in the month of July of each calendar year for the purpose of corporate organization, election of directors and officers, and transaction of other business.

### **SECTION 3. SPECIAL MEETINGS**

Special meetings of the Board of Directors may be called by the President, the Secretary, or any two sitting Directors, and such meetings shall be held at the place designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Foundation. No special meeting may be held outside of California. Special meetings must be duly noticed as provided for in these Bylaws and are subject to quorum requirements applicable to any meeting for the purpose of conducting Foundation business.

### **SECTION 4. NOTICE OF MEETINGS**

Regular and special meetings of the Board shall be held upon five (5) days' notice by first-class mail, as determined by the postmark date, or forty-eight (48) hours' notice when delivered personally, by email or facsimile, or by telephone. Such notices shall be addressed to each Director at his or her address as shown on the books of the Corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

### **SECTION 5. CONTENTS OF NOTICE**

Notice of meetings shall specify the place, day, hour and purpose of the meeting.

### **SECTION 6. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS**

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

made a part of the minutes of the meeting.

#### **SECTION 7. ACTIONS DURING MEETINGS; QUORUM FOR MEETINGS**

Fifty-one percent (51%) of the total number of current Directors shall constitute a quorum for the transaction of business. Every action or decision approved by a majority of those Directors who participate in a meeting duly held at which a quorum participates shall be the act of the Board of Directors, subject to any more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to approval of contracts or transactions in which a Director has a direct or indirect material financial interest, approval of certain transactions between corporations having common directorships, creation and appointment of committees, and indemnification of Directors. A meeting in which a quorum initially participates may continue to transact business, notwithstanding the withdrawal of Directors, if any action or decision made is approved by at least a majority of the required quorum for such meeting.

#### **SECTION 8. CONDUCT OF MEETINGS**

Meetings of the Board of Directors shall be presided over by President of the Board or, in his or her absence, by the Vice-President or Past President of the Board or, in the absence of each of these persons, by a chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the Board shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting. Meetings shall be governed by 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 the Foundation, or with other provisions of California or federal law.

#### **SECTION 9. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING**

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the Board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a vote of a majority of the Directors taken at regular or special meetings of the Board of Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of this Corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

### **ARTICLE 5 OFFICERS**

#### **SECTION 1. NUMBER OF OFFICERS**

The officers of the Corporation shall be the President, Vice-President, Secretary, Treasurer, and Immediate Past President. The same person may hold any number of offices except that neither the Secretary nor the Treasurer may serve as the President of the Foundation.

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

Officers shall be elected by a majority vote of the Board of Directors at the annual meeting of the Board of Directors. All officers must be members of the Board of Directors. Each officer of the Foundation shall hold office for a two (2) year term, or until he or she resigns or is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

### **SECTION 3. SUBORDINATE OFFICERS**

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

### **SECTION 4. RESIGNATIONS AND REMOVAL OF OFFICERS**

Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Foundation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and the acceptance of such resignation shall not be necessary to make it effective. The provisions of this Section shall be superseded by any conflicting terms of a contract that has been approved or ratified by the Board of Directors relating to the employment of any officer of the Foundation.

The Board of Directors may remove any officer, with or without cause, at any time by a two-thirds (2/3) majority of the Board present at a meeting at which a quorum is present and said removal has been duly noticed as an agenda item.

### **SECTION 5. VACANCIES**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy.

### **SECTION 6. DUTIES OF PRESIDENT**

The President shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this Foundation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. In the absence of staff, the President shall, subject to the control of the Board of Directors, supervise and direct the affairs of the Foundation. The President shall preside at all meetings of the Board of Directors and oversee the activities of the Board officers. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall be authorized, in the name of the Foundation, to execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

The President shall serve as chairperson of the Executive Committee and is an ex officio member of any other committee.

### **SECTION 7. DUTIES OF THE VICE-PRESIDENT**

In the absence of the President, or in the event of his or her inability or refusal to act, the

Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice-President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors. The Vice-President shall serve on the Executive Committee.

#### **SECTION 8. DUTIES OF THE SECRETARY**

The Secretary shall record or cause to be recorded and shall keep or cause to be kept, at the principal office of the Foundation and such other place as the Board may order, the minutes of actions taken at all meetings of Directors and committees, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

The Secretary shall give, or cause to be given, notice of all the meetings of the Board and the committees of the Foundation required by these Bylaws or by law to be given, shall keep the minutes and the seal of the Foundation, if any, in safe custody, and shall have other such powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

The Secretary shall serve on the Executive Committee.

#### **SECTION 9. DUTIES OF THE TREASURER**

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the Board. The Treasurer shall disburse, or cause to be disbursed, the funds of the Foundation as may be ordered by the Board, shall render to the President and Directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the Foundation, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

The Treasurer shall have or oversee the custody of all investments of the Foundation and be responsible for their safekeeping, unless by resolution of the Board, an investments committee, an investments custodian or other agency shall be appointed and shall have the custody of all or a portion of such securities. The Treasurer shall supervise the making of all disbursements for the purchase of securities and shall have charge of keeping expenditures for the purchase of securities within the limits of authorizations approved by the Board.

The Treasurer shall serve on the Executive Committee.

#### **SECTION 10. DUTIES OF THE IMMEDIATE PAST PRESIDENT**

The Immediate Past President shall advise and assist the President and chair the Nominations Committee for the purpose of nominating and electing officers and Directors of the Foundation.

Notwithstanding the foregoing, the Board of Directors may select another Board member to chair the Nominations Committee in place of the immediate Past President.

## **ARTICLE 6 COMMITTEES**

### **SECTION 1. COMMITTEES OF DIRECTORS**

In addition to the committees below, the Board may, by a majority vote of the Directors provided that a quorum is present, designate and create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the Directors then in office, provided that a quorum is present. Any such committee, to the extent provided in the resolution of the Board or in these Bylaws, shall have all the authority of the Board, except that no committee, regardless of Board resolution, shall have the following powers or authority:

- A. The approval of any action, which, under law or the provisions of these Bylaws, requires the approval of the members or of a majority of all of the members.
- B. The filling of any vacancy on the Board or the placing of any individual on any Board Committee.
- C. The fixing of compensation of the Directors for serving on the Board or on any committee.
- D. The amendment or repeal of Bylaws or the adoption of new Bylaws.
- E. The amendment or repeal or any resolution of the Board, which by its express terms is not so amendable or repealable.
- F. The appointment of committees of the Board or the members thereof.
- G. The approval of any transaction to which this Foundation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

Nothing in these Bylaws shall preclude the appointment of persons who are not Board members to any Committee, provided that no person who is not a Board member shall be entitled to vote or be eligible for appointment to the Executive Committee.

### **SECTION 2. EXECUTIVE COMMITTEE**

The Executive Committee of the Foundation (the "Executive Committee") shall consist of the then current officers: President, Vice-President, Treasurer, Secretary and immediate Past-President, of the Foundation. Presence of a majority of the members of the Executive Committee at a meeting constitutes a quorum for the transaction of business.

The Executive Committee shall, in addition to any other rights and responsibilities delegated to it from time to time by the Board:

- A. Serve as the representative of the Board between regularly scheduled Board meetings and submit such decision of the Executive Committee for ratification at the next Board meeting;
- B. Supervise generally over business operations, including budgets, expenditures, allocations,

investments, and financial practices.

- C. Interpret and define the legal role of the organization, maintain updated reviews of the Foundation's insurance program, and periodically review, update, edit, print and distribute copies of the Bylaws of the Corporation, subject to the approval of the Board;
- D. Annually evaluate, if any, the Executive Director.
- E. Recommend the compensation of the Executive Director, subject to Board approval; and
- F. If the Foundation employs an Executive Director, the Executive Committee shall periodically review the activity of the Executive Director with respect to the hiring, firing, release, engaging, disengaging, re-assigning, discharging, extending employment of or changing the salary or benefits of employees or volunteers of the Foundation.

By a majority vote of the Directors then in office, the full Board of Directors may at any time revoke or modify any or all of the authority so delegated.

### **SECTION 3. NOMINATIONS COMMITTEE**

The Nominations Committee is responsible for identifying, assessing interest and qualifications of, and recommending candidates to become Directors and officers of the Foundation. This committee shall recommend the nomination and election of persons for Directors and officers.

### **SECTION 4. AUDIT COMMITTEE**

The Audit Committee is responsible for interactions with the firm selected by the Board to conduct the Foundation's annual audit. No member of the Audit Committee shall have a material financial interest in any entity doing business with the Foundation.

### **SECTION 5. COMMITTEES THAT INCLUDE OTHER THAN BOARD MEMBERS (ADVISORY COMMITTEES)**

The Board may designate one or more advisory committees whose members need not be entirely composed of Board members. Pursuant to Corporations Code Section 5212 such committees shall not have the authority of the Board to make decisions on behalf of the Foundation, but shall be restricted to making recommendations to the Board or Board committee, and implementing Board or Board committee decisions under the supervision and control of the Board or a Board committee. The appointment of any individual to a committee requires the vote of a majority of the Directors then in office, provided that a quorum is present. No individual appointed to a committee may be compensated for such service. Notwithstanding the latter, an individual may receive a cash advance, or be reimbursed, for reasonable expenses incurred for serving on any Committee provided such advance or reimbursement is approved by the Board of Directors.

### **SECTION 6. MEETINGS AND ACTIONS OF COMMITTEES**

- A. Meetings and action of committees shall be governed by, noticed, held and minutes taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular or special meetings of committees may be fixed by the committee. The Board of Directors may also fix the time for special meetings of committees. 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.

- B. Each Committee of the Board shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

## **SECTION 7. ADVISORY COUNCIL**

- A. **MISSION:** The Board of Directors (hereinafter also referred to as "Board") hereby creates the Advisory Council to support the Board in furthering the Foundation's goals, objectives, fundraisers, and other activities as identified by the Board from time to time. The Advisory Council shall provide support, advice, guidance, suggestions, and input to the Board of Directors. Any advice provided by the Advisory Council to the Board shall be on an advisory basis, shall not be binding on the Board, and shall be subject to action (or non-action) at the sole discretion of the Board. In addition, the Advisory Council shall assist the Board's efforts to raise donations for the Foundation, and to identify suitable candidates for consideration by the Board as either prospective new Board members or prospective new Advisory Council members.

- B. **NUMBER OF MEMBERS**

The Board of Directors may decide at its sole discretion as to the size and number of the Advisory Council membership and may unilaterally at any point in time increase or decrease available positions in the Advisory Council as the Board feels is justified and warranted.

- C. **DUTIES**

In general, the duties of the Advisory Council shall be to support and offer suggestions that will help and benefit the Foundation while furthering the Foundation's goals and objectives. More specifically, the members of the Advisory Council shall:

1. Attend and/or support the Foundation's annual fundraiser (see financial obligations in Section 9, below).
2. Assist the Board in raising donations for the benefit of the Foundation and identifying suitable candidates for consideration by the Board as either prospective new Board members or prospective new Advisory Council members.
3. Confer with one another periodically about the condition of the Foundation, and discuss suggestions and recommendations that the Advisory Council might submit to the Board of Directors for their consideration.
4. Upon the invitation of the President of the Board of Directors, attend a Board meeting at least once a year during which the members of the Advisory Council shall present a report to the Board containing the Advisory Board's suggestions and recommendations.

- D. **TERM OF OFFICE**

Advisory Council Members shall serve a one (1) year term of membership, subject to renewal and re-nomination of the Board of Directors. Advisory Council members who are renewed by the Board may, at the sole discretion of the Board, serve consecutive terms of service.

E. NOMINATIONS OF ADVISORY COUNCIL MEMBERS

Nominations for the Advisory Council will be processed through the Board's Nominations Committee in accordance with that committee's established protocols and procedures for nomination.

F. COMPENSATION

Advisory Council membership shall be on a volunteer basis. There shall be no compensation or remuneration for any time, service, or items provided by an Advisory Council member to or on behalf of the Foundation.

G. SUSPENSION, REMOVAL, OR TERMINATION

The Board of Directors at its sole discretion may initiate any action the Board deems appropriate regarding any member of the Advisory Council, including suspension, removal, or termination of any member of the Advisory Council. The Board reserves the right to immediately suspend, revoke, or terminate the membership of any Advisory Council member with or without cause, upon written notice from the President. Such suspension, revocation or termination shall become effective upon receipt of said written notice by the Advisory Council member.

H. RESIGNATION AND REMOVAL OF ADVISORY COUNCIL MEMBERS

Advisory Council members may resign at any time via a written notice to the President of the Board. In addition, Advisory Council members may be removed subject to the procedures enumerated above in Section G.

I. APPOINTMENT AND DESIGNATION OF TERM OF INITIAL AND SUBSEQUENT MEMBERS OF ADVISORY COUNCIL

Upon the creation of the Advisory Council, the President of the Board of Directors may invite current Board members to resign from the Board and apply for membership in the Advisory Council. The term of any Board member who resigns from the Board and subsequently applies for membership in the Advisory Council shall be for a term of one year. At the end of that year, such former Board members shall be subject to the provisions contained in Section 7 D above, regarding term of office.

J. FINANCIAL OBLIGATIONS<sup>1</sup>.

1. Initiation Fee:

Applicants for membership in the Advisory Council shall pay an initiation fee of Five Hundred Dollars (\$500) which shall be payable upon the Board's voting to approve their application. Board members who resign from the Board and subsequently apply for membership in the Advisory Council shall be exempt from the initiation fee.

2. Annual Fundraising Obligation:

On an annual basis, Advisory Council members shall either donate or fundraise One Thousand Dollars (\$1,000) for the benefit of the Foundation, starting during the year when they become members of the Advisory Council. This obligation may be fulfilled, either in part or in whole, by in-kind donations of services or items for the benefit of the Foundation.

3. Failure to Meet Financial Obligations:

Failure to meet the financial obligations on the part of an Advisory Council member may result in his/her immediate removal and termination from the Advisory Council.

## **ARTICLE 7**

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

#### **SECTION 1. EXECUTION OF INSTRUMENTS**

- A. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any Foundation instrument or document, or to sign the Foundation name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Foundation.
- B. Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of the Foundation, promissory notes, deeds of trust, mortgages, and other evidences of indebtedness of the Foundation, and other Foundation instruments or documents, and certificates of shares of stock owned by the Foundation, shall be executed, signed, or endorsed by two officers of the Foundation.

#### **SECTION 2. CHECKS AND NOTES**

Except as otherwise specifically provided 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 Foundation shall be signed by such person or persons as the Board shall authorize to do so. In the absence of such determination by the Board, such instruments shall be signed by two officers of the Foundation.

#### **SECTION 3. LOANS**

No loans shall be contracted on behalf of the Foundation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

#### **SECTION 4. DEPOSITS**

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

#### **SECTION 5. GIFTS**

The Board of Directors may accept on behalf of the Foundation any contribution, gift, bequest, or

devise for the charitable or public purposes of this Foundation.

**ARTICLE 8**  
**MISCELLANEOUS FOUNDATION PROVISIONS AND MAINTENANCE OF RECORDS**  
**AND ANNUAL REPORT AND SEAL**

**SECTION 1. MAINTENANCE OF FOUNDATION RECORDS**

The Foundation shall keep at its principal office in the State of California, and:

- A. Minutes of all meetings of Directors and committees or the Board 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 copy of the Foundation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the Directors of the Corporation at all reasonable times during office hours.

**SECTION 2. CORPORATE SEAL**

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

**SECTION 3. DIRECTORS' INSPECTION RIGHTS**

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

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

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

**SECTION 5. ANNUAL REPORT**

The Board shall cause an annual report to be furnished not later than sixty (60) days after the close of the Foundation's fiscal year (June 30) to all Directors of the Foundation, in writing, and which report shall contain the following information in appropriate detail:

- A. The assets and liabilities, including the trust funds, of the Foundation 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 Foundation, both unrestricted and restricted to particular purposes for the fiscal year;
- D. The expenses or disbursements of the Foundation, for both general and restricted purposes, during the fiscal year, including a graphic diagram of such information which may be used for public viewing;
- E. Any information required to be disclosed by a nonprofit public benefit California corporation organized under Section 501(c)(3) of the Internal Revenue Code.

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 Foundation that such statements were prepared without audit from the books and records of the Foundation.

## **SECTION 6. NOTICES**

Any notices required to be sent pursuant to these Bylaws shall be sent by first class mail to the last known address as maintained by the Secretary of the Foundation. However, notices may also be sent, as authorized by the individual, by electronic mail if the electronic mail address is approved annually in writing by the individual to whom any notice is being sent and the individual authorizes receipt by electronic mail.

## **ARTICLE 9 FISCAL YEAR**

The fiscal year of the Corporation shall begin on July 1<sup>st</sup> and end on June 30<sup>th</sup>.

## **ARTICLE 10 STANDARD OF CARE**

A Director shall perform the duties of a Director, including duties as a member of any Board committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Foundation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- A. one or more officers or employees of the Foundation whom the Director believes to be reliable and competent as to the matters presented;
- B. counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- C. a Board committee upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article 11 of these Bylaws, a person who performs the duties of a Director in accordance with this Article shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

## **ARTICLE 11 PROHIBITED TRANSACTIONS**

### **SECTION 1. LOANS**

Except as permitted by Section 5236 of the California Corporations Code, the Foundation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer; provided, however, that the Foundation may advance money to a Director or officer of the Foundation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

## **SECTION 2. SELF-DEALING TRANSACTIONS**

Each Director and officer of the Foundation must inform the Board in writing of any financial transaction or relationships with other individuals, businesses or organizations that financially benefit such Director or officer of the Foundation. Except as provided in Section 3 of this Article below, the Board may not approve or permit the Foundation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which the Foundation is a party and in which one or more of its Directors has a material financial interest, unless the transaction is described in California Corporations Code Section 5233(b). Self-dealing transactions include, but are not limited to, the following:

- A. Ownership by an officer or Director of the Foundation, or such officer or Director's family, of a financial interest in any organization doing business with the Foundation as a supplier or vendor, except to the extent that such financial interest is an investment, normal in amount, in a business concern listed on a stock exchange or actively traded over the counter;
- B. Any relationship as an officer or Director of the Foundation, whether or not for personal gain, with a supplier or vendor of the Foundation or such relationship with any other individual or business concern under conditions limiting performance of such officer or Director's service to the Foundation;
- C. Receipt of any payment, compensation or valuable gifts or favors, in any form, from an organization doing business with the Foundation;
- D. Use of a position with the Foundation to exercise influence for the purpose of benefiting an officer or Director of the Foundation, or such officer's or Director's family;
- E. Use of the Foundation's assets for the personal gain of an officer or Director of the Foundation;
- F. Borrowing money from individuals or firms with whom the Foundation does business; or,
- G. Divulging confidential, personnel, marketing or fundraising information.

## **SECTION 3. APPROVAL**

The Foundation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. The Foundation also may engage in a self-dealing transaction if the Board determines, before the transaction, that (1) the Foundation is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to the Foundation at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the Director or Directors in the transaction, and by a vote of a majority of the Directors then in office, without permitting or counting the vote of the interested Director or Directors.

## **SECTION 4. CONFLICT OF INTEREST**

Any Board Director who fails to disclose any financial conflict of interest and thereby puts the Foundation at risk shall not be protected by the indemnification provisions of Article 12 herein.

## **ARTICLE 12 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS**

**SECTION 1. RIGHTS OF INDEMNITY** To the fullest extent permitted by law, and except as may be provided in Article 11 of these Bylaws, a person who performs the duties of a Director in accordance with Article 10 shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated. To that end the Foundation shall indemnify its Directors, officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that Section, and including an action by or in the right of the Foundation, by reason of the fact that the person is or was a person described in that Section. "Expenses" as used in this Bylaw shall have the same meaning as in that Section.

**SECTION 2. APPROVAL OF INDEMNITY** On written request to the Board by any person seeking indemnification under Section 5238(b) or 5238(c) of the California Corporations Codes, the Board shall promptly determine under Article 11 of these Bylaws and Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Article 10 and Section 5238(b) or 5238(c) of the California Corporations Code has been met and, if so, the Board shall authorize indemnification.

**SECTION 3. ADVANCEMENT OF EXPENSES** Expenses incurred in defending any proceeding may be advanced by the Foundation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article.

## **ARTICLE 13 AMENDMENT OF BYLAWS TEMPORARY SUSPENSION OF BYLAWS DURING CRISIS SITUATIONS**

During a crisis situation that threatens the ability of the Board to transact business for a period of days, weeks, or months, the President of the Board may temporarily suspend any bylaw, as deemed necessary by the President for transacting the Board's business. This provision applies to epidemics, pandemics, earthquakes, floods, fires, extended power outages, serious civil disruptions, and other crisis situations at the discretion of the President.

During the rare crisis situation when the President invokes this provision, the President shall use best efforts to inform all Board members regarding the nature of the crisis and which bylaws

have been suspended. Likewise, within 60 days after the crisis situation has passed, the Board shall either ratify or repudiate each action taken by the President during the crisis.

**ARTICLE 14  
AMENDMENT OF BYLAWS**

Subject to any provision of law applicable to the amendment of Bylaws of nonprofit public benefit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by the affirmative vote of a two-thirds (2/3) majority of the directors of the Board present and voting at a meeting at which a quorum is present. Notice and content of the proposed change shall be provided to the Directors a minimum of 7 days prior to such action to amend or have effect.

**CERTIFICATE OF SECRETARY I**, the undersigned, certify that I am the currently elected Secretary of the Friends of Montebello Unified School District Foundation, a California nonprofit public benefit corporation, and the above Bylaws, consisting of eighteen (18) pages, including this page, are the Bylaws of the Foundation as adopted at a meeting of the Board held on December 4, 2012, with a revision adopted at a meeting of the Board held May 4, 2020.

Dated: May 4, 2020

Executed at: Montebello, California

---

Lovey Sherman, Secretary