

**Bylaws
of
La Jolla Parks and Beaches, Incorporated
(A Nonprofit California Corporation)**

**ARTICLE I
NAME, PURPOSE, DUTIES**

- 1.1. Name. The name of this organization shall be La Jolla Parks and Beaches, Incorporated also known as La Jolla Parks and Beaches (hereafter LJPB).

- 1.2. Purpose. The primary purpose of LJPB shall be to preserve, protect and enhance La Jolla parks and beaches, other recreational resources, public open spaces and coastal accesses in La Jolla, California, within the geographic area of the La Jolla Community Plan (as defined by the City of San Diego Planning Department) and south of the La Jolla Shores Planned District with the additional exclusion of the La Jolla Recreation Center and La Jolla Community Park adjacent to the La Jolla Recreation Center (hereafter the AREA). Subject to the duties, i.e., restrictions and requirements, described in Sections 1.3 to 1.17 below, LJPB may take the following actions when such action would further its primary purpose:
 - (1) For all development projects and other matters pertaining to parks and other recreational resources in the AREA, provide input to and make recommendations to the City of San Diego (CITY) and Parks and Recreation Department (DEPARTMENT), the Parks and Recreation Board and/or other park advisory committees of the CITY and elected representatives of the CITY, with the additional purpose to undertake steps necessary to secure formal recognition from the CITY as a park advisory group;
 - (2) Serve as a recognized advocate, conduit and sponsor for community input to the DEPARTMENT regarding the AREA programs and facilities, development projects, and other related matters;
 - (3) Enter into contracts relating to the AREA in its official name;
 - (4) Collect and expend funds for the AREA-related purposes;
 - (5) Make or cause improvements, changes, or alterations to the AREA spaces as allowed;
 - (6) Conduct LJPB meetings, special events, fund-raising activities, and programs contracted for by LJPB in the AREA, and assist with coordination of the AREA field and facility usage;
 - (7) Make official authorizations, take positions, and give opinions which have been obtained through broad community input by public meetings of LJPB;
 - (8) Sponsor and co-sponsor activities within and outside of the AREA;
 - (9) Provide a neutral forum for public debate on non-partisan ballot measures that directly affect parks, beaches, open spaces, and recreation facilities in the AREA; and
 - (10) Take any other actions permitted.

Duties

- 1.3. Community Input. All LJPB recommendations, and official authorizations, positions, and opinions shall be obtained through broad community input by a public meeting of LJPB held in compliance with the Ralph M. Brown Act (California Government Code sections 54950-54963) (“Brown Act”). All members of the participating public shall be given the opportunity to comment on items during LJPB public meetings.
- 1.4. Political Activities. All LJPB activities shall be non-partisan and non-sectarian. The LJPB shall not officially or unofficially participate in, or lend its influence to, the election of any candidate for public office, regardless of whether the nomination or election is partisan or non-partisan.
- 1.5. Contracts. The LJPB shall only enter into contracts with individuals or businesses that comply with all applicable laws and regulations, including the requirement that individuals or business entities obtain a City business tax certificate unless otherwise lawfully exempt. LJPB shall be responsible for all contractual relationships involved with LJPB programs and activities. All LJPB contracts shall be executed by LJPB in its official name.
- 1.6. Community Outreach. It shall be the duty of LJPB to regularly outreach to the La Jolla community through such methods as local newspapers, social media, and electronic and other forms of communication to further community-wide understanding of and participation in LJPB duties, activities, and decisions. LJPB shall give due consideration to all responsible community input in order to identify what is in the best long-term interest of the community at large.
- 1.7. Projects. When considering proposed AREA development projects for LJPB’s recommendation, LJPB shall allow participation of all members of the public, including those from other areas, and with special emphasis on obtaining participation from property owners, residents, and business establishments in proximity to the proposed development. LJPB shall inform the project applicant or representative each time such review by LJPB will take place and provide the applicant with an opportunity to present the project.
- 1.8. Compliance with Law. LJPB shall at all times in its use, occupancy, maintenance and restoration of the AREA comply with all applicable laws, rules, regulations, and directives of competent governmental authorities, including the provisions of the California Public Records Act, codified in California Government Code sections 6250-6270.
- 1.9. NonProfit Status. LJPB shall maintain status as a nonprofit organization from the Internal Revenue Service and the State of California and comply with all applicable laws and regulations to maintain such status as a nonprofit organization. LJPB shall provide any documentation regarding LJPB’s nonprofit status.

- 1.10. Cooperation and Coordination. LJPB shall coordinate with the CITY when the CITY is arranging for repairs of AREA facilities, repair or replacement of equipment, or undertaking of any AREA development projects.
- 1.11. Improvements/Alterations. Any and all improvements, fixtures, structures and installations or additions to the AREA constructed or installed by or on behalf of LJPB shall be the property of the CITY.
- 1.12. Permits and Approvals. LJPB, at LJPB's sole cost and expense, shall obtain all required permits and approvals from the applicable local, state and federal authorities, including without limitation from the CITY.
- 1.13. Prevailing Wage. In the event that LJPB procures services in qualifying amounts and which constitute a "public works contract" or a "maintenance contract" under the CITY's "Compliance with State Prevailing Wage Laws" Ordinance (SDMC section 22.3019), so long as it remains applicable, LJPB shall ensure, including by providing for such in all agreements for such services, that the contractor for such services shall comply with said Ordinance and all applicable California Labor Code provisions regarding prevailing wages. LJPB shall use the most current version of the CITY's standard contract provisions to ensure compliance with these provisions.
- 1.14. No Discrimination. LJPB shall not discriminate or permit discrimination in any manner against any person or class of persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, ethnicity, age, marital status or disability, including without limitation the provision of goods, services facilities, privileges, advantages and accommodations, and the hiring and retention of employees and contractors.
- 1.15. Compliance with Disability and Other Laws. LJPB shall comply with the California Fair Employment and Housing Act, the Federal Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 and any other applicable local, state and federal laws and regulations hereafter enacted protecting the rights of people with disabilities.

ARTICLE II BOARD MEMBERSHIP

- 2.1. Number of BOARD DIRECTORS. The LJPB Board of Directors (BOARD) shall consist of not less than seven (7) DIRECTORS, nor more than twenty (20) DIRECTORS as defined in section 2.2, and with the exact number of DIRECTORS to be determined from time to time by the LJPB BOARD. LJPB shall maintain a current roster of the names of each and every DIRECTOR and whether the DIRECTOR is an At-Large DIRECTOR or an Organization DIRECTOR.

- 2.2. DIRECTOR Qualifications. DIRECTORS shall be at least eighteen (18) years of age and may consist of At-Large and Organization DIRECTORS. An At-Large DIRECTOR shall mean any individual who lives, works, or owns property within the AREA. An Organization DIRECTOR shall mean an individual who represents an organized or special interest community service or athletic group which conducts primary operations within the AREA. DIRECTORS shall be, to the extent possible, representative of the residents of the AREA. DIRECTORS must be willing to accept and perform responsibilities delegated by LJPB. Unless otherwise stated, the term "DIRECTORS" shall include both At-Large and Organization DIRECTORS.
- 2.3. Duty to Attend BOARD Meetings and Quorum. It shall be the duty of each DIRECTOR to attend all BOARD meetings. The minimum number of DIRECTORS in attendance at each BOARD meeting in order to constitute a quorum shall be a majority or more of the DIRECTORS of LJPB. At least five (5) DIRECTORS must be present if total BOARD membership falls below ten (10) DIRECTORS. A quorum must be present in order to conduct business and/or to vote on projects or actions at regular BOARD meetings. Proxy or telephone votes are strictly prohibited. Votes during electronic video conference meetings are permitted.
- 2.4. DIRECTOR Eligibility. To be eligible for membership on the BOARD of LJPB, the potential DIRECTOR must meet the requirements in Section 2.2 above and have attended three (3) meetings during the prior six (6) month period, submit to LJPB a letter of interest and a statement of qualifications as described in Section 2.2 above. Those eligible for BOARD membership will be notified at least seventy-two (72) hours before the next regular meeting that they will be considered for BOARD membership at that meeting.
- 2.5. DIRECTOR Selection. When a BOARD vacancy occurs, the BOARD may select a new DIRECTOR to fill the vacancy from those who are eligible for membership under Section 2.4 above. Those eligible will be selected for membership on the LJPB BOARD in the chronological order that they have become eligible under 2.4 above. In case more than one person qualifies on the same date, a coin toss will be used to determine who becomes a DIRECTOR first. Eligibility to qualify for BOARD membership remains in effect provided that the individual continues to meet the attendance requirements.
- 2.6. Vacancies. A vacancy exists upon death, incapacity, or receipt of a written (including email) resignation from a DIRECTOR, or upon removal of a DIRECTOR pursuant to Section 2.9 below. In the event of a vacancy, a DIRECTOR to fill such a vacancy shall be selected as provided in Section 2.5 above.
- 2.7. Public Communications. DIRECTORS shall not identify with LJPB in public communications unless specifically directed by LJPB to be its official representative as part of a publicly noticed meeting in full compliance with the Brown Act. This includes, but is not limited to, written or electronic communications, public comment or testimony and newspaper interviews.

- 2.8. Dues. No membership dues may be required of DIRECTORS.
- 2.9. DIRECTOR Removal. Any DIRECTOR found by the BOARD, by a preponderance of the evidence, to be in violation of these Bylaws or LJPB's corporate governance documents, may be removed from the BOARD by two-thirds (2/3) vote of the BOARD. A DIRECTOR who refuses to resign after three (3) consecutive unexcused absences or four (4) total excused absences in the prior twelve (12) months from LJPB's regular meetings may also be removed by a simple majority vote of the BOARD.
- 2.10. Excused Absences. An absence can be excused when due to illness or other physical inability to attend or due to unavoidable personal or professional commitment. Request for excuse should be made to the President in advance of the absence, if possible. The President may choose to present the request at the next LJPB meeting for vote of approval. Request for excuse of the third consecutive absence or of the fourth unexcused absence in the calendar year must be made before the occurrence of the absence. For any potential removal of a DIRECTOR, the DIRECTOR at issue shall be informed by LJPB, in writing, at least twenty-one (21) calendar days in advance of any action to revoke his or her membership.

ARTICLE III LJPB FUNDS

- 3.1. Use of LJPB Funds. LJPB may collect and expend funds. Any funds collected or received by LJPB shall be used only for projects in accordance with the purpose of LJPB as outlined in section 1.2 and within the AREA, including promoting and conducting community recreation programs, purchasing equipment, and providing assistance where necessary with the accountability and record keeping functions related to LJPB activities. Any other activities or services funded by LJPB must be approved by the BOARD in advance. Funds collected or otherwise received by LJPB shall be used and expended in compliance with all applicable laws, regulations, and policies. All disbursements must be approved by LJPB by a majority vote of the DIRECTORS present and shall require the signatures of at least two LJPB officers (OFFICERS). If the disbursement is \$200 or less, the majority vote may be obtained via an email vote. The designation or restricting of any funds must be approved by LJPB in each instance.
- 3.2. Accounting for Funds. LJPB shall account for restricted and non restricted funds in accordance with current accounting standards for nonprofit corporations.
- 3.3. Limitation on Expenditures. No DIRECTOR or LJPB committee shall have the power or authority to commit LJPB to any expenditure or to raise any funds in the name of LJPB without prior approval of a majority of the DIRECTORS present at the LJPB BOARD meeting at which approval is sought.

ARTICLE IV
MEETINGS OF LJPB, COMMITTEES, AND WORKING GROUPS

- 4.1 Open Meetings and Brown Act Compliance. At least ten (10) meetings per year shall be held at such place within La Jolla as designated from time to time by the OFFICERS or via electronic video conference if deemed necessary or desirable by the OFFICERS. Such meetings shall be in furtherance of the duties found in section 1.6 hereof and otherwise shall comply with the Brown Act as further described in section 1.3 above. Accordingly, for all such meetings an agenda containing the date, time and location of the meeting and a general description of each item of business to be discussed or transacted, shall be posted in a place freely accessible to the public and/or on the LJPB website at least seventy-two (72) hours prior to the meeting. At the time of the posting of the agenda, the agenda shall also be sent, by facsimile, via the United States Postal Service, or electronic mail/means, to every member of the public who has requested notification of the meetings. Such public meetings shall be conducted in accordance with the current edition of Robert's Rules of Order, Newly Revised, Article XIII.
- 4.2. BOARD Meetings Not Open to Public. Annual, regular and special meetings of the BOARD of LJPB, and any of its committees, subcommittees and working groups, need not be public, and shall be properly noticed as otherwise provided herein to all DIRECTORS. This includes, but is not limited to, meetings involving the discussion of matters related to LJPB corporate affairs, finances, personnel, director removal, bylaws and corporate governing documents, and pending or threatened litigation.
- 4.3. Annual Meeting. There shall be an annual meeting of LJPB once per calendar year in January. The date, time and place of the annual meeting shall be determined by vote of the DIRECTORS. Notice of the time, date and place of the meeting shall be sent to the DIRECTORS at least twenty-one (21) days before the scheduled meeting and shall be posted in a place freely accessible to the public and/or on the LJPB website as indicated in Section 4.1 above.
- 4.4. Special Meetings. Special meetings of LJPB for any purpose may be called by the President or at the written request of twenty five percent (25%) of the DIRECTORS. If practical, any special meeting shall be held within fifteen (15) days from notice to all DIRECTORS and the date time, place and issues to be discussed being announced in writing to all DIRECTORS at least ten (10) days in advance of the meeting. Public notice must be provided pursuant to Section 4.1 above, with the exception of special meetings for matters related to LJPB personnel, bylaws and corporate governing documents, or litigation. Only those issues so announced shall be brought up for discussion or vote.

- 4.5. Committee Meetings. LJPB Committees (Committees) and their Chairs shall be appointed by the President, and members shall be DIRECTORS. Meetings of Committees shall be conducted as described in Section 4.2 above. All Committees shall keep minutes of their proceedings and provide copies of such minutes to the LJPB Recording Secretary in a timely manner. LJPB Committees shall not be authorized to discuss matters which will be the subject of a meeting conducted under section 4.1
- 4.6. Working Groups. One or more DIRECTORS (a “Working Group”) may prepare materials for the BOARD’s consideration at a Regular or Special Open Meeting conducted under section 4.1. Such Working Groups shall be formed at the President’s or other LJPB DIRECTOR’S request made at a Regular or Special Open Meeting and noticed on the agenda for that meeting. Any DIRECTOR or public individual may be appointed to participate in such a Working Group. No decisions shall be made at any Working Group meeting on behalf of LJPB, and no consensus of DIRECTORS shall be sought by Working Group members prior to a Regular or Special Open Meeting of LJPB. Additionally, one or more DIRECTORS (a “Working Group”) may prepare materials for the BOARD’s consideration at Board Meetings not open to the public. Such Working Groups shall be formed at the President’s or other LJPB DIRECTOR’S request made at a Board Meeting not open to the public and noticed on the agenda for that meeting. Any DIRECTOR may be appointed to participate in such a Working Group. No decisions shall be made at any Working Group meeting on behalf of LJPB, and no consensus of DIRECTORS shall be sought by Working Group members prior to a Board Meeting not open to the public.

ARTICLE V OFFICERS

- 5.1. OFFICERS. OFFICERS shall be the President, the Vice President, the Recording Secretary, and the Treasurer; optionally, OFFICERS may include a Corresponding/Information Management Secretary (collectively OFFICERS).
- 5.2. Nomination of OFFICERS. A three-person (3-person) nominating committee shall be appointed by LJPB’s President no later than the October meeting. The Nominating Committee shall choose the slate of OFFICERS. The Nominating Committee shall present the slate of OFFICERS no later than the December meeting, with elections no later than the January meeting. Other nominations must be submitted by the date of the January meeting in writing to the Chair of the Nominating Committee.
- 5.3. Election of OFFICERS. The BOARD shall elect its OFFICERS at the annual meeting. The election shall be by written ballot at the annual meeting or voice vote in the event of an electronic video conference meeting. No secret ballot shall be permitted. Ballots shall be available at the noticed meeting at which the election will be held. Completed ballots (or a record of the voice votes) are to be kept available to the public at each meeting for no less than thirty (30) days after the

meeting in which elections were held. In the event of a single slate, the election may be held by “voice vote.” A “voice vote” means an oral vote of LJPB consisting of a tally of the “yeas”, “nays”, and “abstentions” of each DIRECTOR. The tally shall be conducted in open session and documented in the official LJPB minutes as to the vote of each DIRECTOR. The minutes in which the tally is recorded shall be made available to the public and shall be kept for a minimum of at least thirty (30) calendar days.

- 5.4. Term. The term of office for OFFICERS shall be two (2) years. Elected OFFICERS shall not serve more than four (4) consecutive years in the same office. OFFICERS shall begin their terms at the first meeting following the elections. To stagger OFFICER terms, two (2) will be elected during even numbered years and two (2) or three (3) will be elected during odd numbered years.
- 5.5. OFFICER Resignation and Removal. An OFFICER may resign by submission of a written resignation to LJPB. An OFFICER shall be deemed to have resigned upon death, disability, or if he or she fails to attend three (3) consecutive meetings on an excused basis or four (4) meetings unexcused in any twelve (12) month period. An OFFICER also shall be subject to removal by the procedures if he or she fails to carry out the duties required by the OFFICER as described in Sections 5.8 through 5.11 below.
- 5.6. Filling of OFFICER Vacancy. If an OFFICER resigns, or is deemed to have resigned, or is removed, a successor will be elected by the procedures described in Sections 5.2 and 5.3 above except that the election will be held at the next regular meeting. The vacancy may be filled by one of the current DIRECTORS or by a potential DIRECTOR who is eligible for BOARD membership. The person elected to fill the vacancy shall serve the remaining, unexpired term of his/her predecessor in office. When filling a vacancy, the partial year (less than 12 months) of the remaining term shall not be counted in the maximum of four (4) consecutive years.
- 5.7. Duties of the President. The President shall be the principal officer of LJPB and shall:
- (1) Supervise and control the affairs of LJPB and act as official spokesperson for LJPB;
 - (2) Preside over all LJPB meetings and review annual financial reports;
 - (3) Direct the preparation of the LJPB agenda for each meeting and prioritize items on the agenda;
 - (4) Review and provide his or her signature approval of the minutes of each LJPB meeting in which he or she is in attendance;
 - (5) Appoint chairs and members of Committees and be an ex-officio member of all Committees, except the Nominating Committee;
 - (6) Vote only when either (a) the vote is by ballot, in which case the President votes along with and at the same time as all other DIRECTORS, or (b) the President’s vote will change the result of the vote; and

- (7) Perform all duties incident to the Office of President and other duties as prescribed in these Bylaws or as may be prescribed by LJPB.
- 5.8. Duties of the Vice President. The Vice President shall perform all duties and exercise all powers of the President when the President is absent or is otherwise unable to act. The Vice President shall perform such other duties as may be prescribed from time to time by LJPB, such as maintaining LJPB's website.
- 5.9. Duties of the Recording Secretary. The Recording Secretary generally shall perform all duties incident to the Office of Recording Secretary and other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by LJPB. Pursuant to these duties, the Recording Secretary shall:
- (1) After every LJPB regular meeting, prepare a report of attendance and a copy of the draft minutes which shall include final voting results on each matter acted upon at the meeting, including the number of yea, nay, and abstention votes, and electronic recording of said meeting shall be deleted after approval of the draft minutes;
 - (2) Make the draft minutes available to the public at a publicly-accessible area at the location where LJPB regularly conducts its meetings and official business as soon as reasonably possible, and at least seventy-two (72) hours prior to the next LJPB regular meeting;
 - (3) Following adoption of the draft minutes by a majority vote of the DIRECTORS present at the next LJPB regular meeting, make copies of approved minutes available to the public within seventy-two (72) hours of the next scheduled LJPB regular meeting, and arrange to have the approved minutes either posted electronically on the LJPB website or at the location where LJPB regularly conducts its meetings and official business for a minimum of thirty (30) calendar days;
 - (4) Maintain an attendance record of LJPB DIRECTORS; and
 - (5) Provide the attendance record at each LJPB meeting.
- 5.10. Duties of the Corresponding/Information Management Secretary. The Corresponding/Information Management Secretary generally shall perform all duties incident to the Office of Corresponding/Information Management Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by LJPB. Pursuant to these duties, the Corresponding/Information Management Secretary shall:
- (1) Maintain a record of all LJPB business, including a list of all meeting attendees;
 - (2) Be responsible for all LJPB correspondence;
 - (3) Maintain a DIRECTOR roster, the dates when each joined LJPB, and their addresses and other contact information;
 - (4) Maintain a potential DIRECTOR roster, the dates of attendance, addresses and contact information;
 - (5) Notify a potential DIRECTOR that he/she will be considered for membership at the next regular meeting at least seventy-two (72) hours before that meeting;

and

- (6) Provide correspondence to LJPB members and general public upon request of the President.

5.11. Duties of the Treasurer. The Treasurer shall:

- (1) Oversee the receipt, deposit, and disbursement of all LJPB funds;
- (2) Submit, or cause to be submitted, all necessary returns and reports required by federal and state directives;
- (3) Ensure accuracy of all financial transactions;
- (4) Submit a financial report at each regular BOARD meeting covering all transactions since the prior meeting; and
- (5) Only make disbursements with the approval of a majority vote of the DIRECTORS present at the BOARD meeting at which approval is sought and with the signatures of at least two OFFICERS.

ARTICLE VI

INDEMNIFICATION, INSURANCE and DIRECTOR/OFFICER LIABILITY

6.1. Non-liability of LJPB DIRECTORS and Officers. For the purpose of Article VI, any reference to “volunteer member DIRECTOR,” “volunteer DIRECTOR,” “DIRECTOR” or “volunteer executive committee officer” shall refer to a LJPB DIRECTOR as defined in these bylaws. For the purpose of Article VI, any reference to “the Corporation” shall refer to La Jolla Parks and Beaches, Inc.

(a) Pursuant to Section 5239 of the Nonprofit Public Benefit Corporation Law of the State of California, there shall be no personal liability to a third party on the part of a volunteer DIRECTOR or volunteer executive committee officer (defined below) of the Corporation caused by the DIRECTOR’s or officer’s negligent act or omission in the performance of that person’s duties as a DIRECTOR or officer, if all the following conditions are met:

- (i) The duties were performed in good faith;
- (ii) The duties were performed in such a manner such DIRECTOR or officer believes to be in the best interest of the corporation; and
- (iii) The duties were performed with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

(b) This limitation on the personal liability of a volunteer DIRECTOR or officer does not limit the liability of the corporation for any damages caused by acts or omissions of a volunteer DIRECTOR or volunteer officer, nor does it eliminate the liability of a DIRECTOR or officer provided in Section 5233 or 5237 of the Nonprofit Public Benefit Corporation Law of the State of California in any action or proceeding brought by the Attorney General.

(c) In order to obtain the full benefit of the limitation of liability set forth above, the Board of Directors of this corporation and the volunteer DIRECTOR or officer shall make all reasonable efforts in good faith to obtain liability insurance in the form of a general liability policy for this corporation or a DIRECTOR and officer’s liability policy.

(d) As used herein:

- (i) "Executive committee officer" means the President, Secretary, Vice President, Treasurer or other executive officer who assists in establishing the policy of this corporation;
- (ii) "Volunteer" means the rendering of services without compensation.
- (iii) "Compensation" means remuneration whether by way of salary, fee, or consideration for services rendered.

6.2 Indemnity for Litigation. This Corporation hereby agrees to exercise the power to defend and indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a DIRECTOR or officer of this corporation, to the full extent allowed under the provision of Section 5238 of the Nonprofit Public Benefit Corporation Law of the State of California relating to the power of a corporation to indemnify any such person. The amount of such indemnity shall be so much as the Board of Directors determines and finds to be reasonable, or, if required by said Section 5238, the amount of such indemnity shall be so much as the court determines and finds to be reasonable.

6.3 Standard of Conduct. Pursuant to Section 5231 of the California Nonprofit Public Benefit Corporation Law, a DIRECTOR shall perform the duties of a DIRECTOR, including duties as a member of any committee of the Board upon which the DIRECTOR may serve, in good faith, in a manner such as the DIRECTOR believes to be in the best interests of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a DIRECTOR, a DIRECTOR shall be entitled to rely on information, opinions, 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 this corporation whom the DIRECTOR believes to be reliable and competent in the matters presented.
- (b) Legal counsel, independent accountants or other professionals as to matters that the DIRECTOR believes to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the DIRECTOR does not serve, as to matters within the committee's designated authority, which committee the DIRECTOR believes to merit confidence. Provided, that in any such case, the DIRECTOR acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

6.4 Self-Dealing Transactions. Pursuant to Section 5233 of the Nonprofit Public Benefit Corporation Law of the State of California, no self-dealing transaction (defined below) shall be void or voidable because such Interested DIRECTOR(s) or corporation, firm or association are parties or because such Interested DIRECTOR(s) are present at the meeting of the Board or committee which

authorizes, approves or ratifies the self-dealing transaction the Board or committee which authorizes, approves or ratifies the self-dealing transaction if:

- (a) The Corporation entered into the transaction for its own benefit;
- (b) The transaction was fair and reasonable as to the Corporation at the time the Corporation entered into the transaction; and either
 - (i) (A) Prior to consummating the transaction or any part thereof the Board authorized or approved the transaction in good faith by a vote of a majority of the DIRECTORS then in office without counting the vote of the Interested DIRECTOR or DIRECTORS) and with knowledge of the material facts concerning the transaction and the DIRECTOR's interest in the transaction. Except as provided in subparagraph (ii) below, action by a committee of the Board shall not satisfy this Section; and (B) Prior to authorizing or approving the transaction the Board considered and in good faith determined after reasonable investigation under the circumstances that the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances or the Corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or
 - (ii) (A) A committee or person authorized by the Board approved the transaction in a manner consistent with the standards set forth in subparagraphs (a) and (b) above; (B) It was not reasonably practicable to obtain approval of the Board prior to entering into the transaction; and (C) The Board, after determining in good faith that the conditions of subparagraphs (A) and (B) of this paragraph were satisfied, ratified the transaction at its next meeting by a vote of the majority of the DIRECTORS then in office without counting the vote of the Interested DIRECTOR or DIRECTORS.
- (c) Interested DIRECTOR(s) may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof that authorizes, approves or ratifies a transaction provided in this Section 6.4.
- (d) As used in this Section 6.4, a "self-dealing transaction" is any contract or transaction
 - (i) between this Corporation and a firm or association in which one or more of the DIRECTORS has a material financial interest, or
 - (ii) between this Corporation and a corporation, firm or association of which one or more of its directors are DIRECTORS of this Corporation (collectively, "Interested DIRECTOR(s)").

6.5 Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article 6, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of §

5233 of the California Nonprofit Public Benefit Corporation Law (or any successor provision thereto).

6.6 Chapter 42 Taxes. In no case, however, shall the Corporation indemnify, reimburse, or insure any person for any taxes imposed on such individual under chapter 42 of the Internal Revenue Code of 1986, as amended (“Code”). Further, if at any time the Corporation is deemed to be a private foundation within the meaning of § 509 of the Code then, during such time, no payment shall be made under this Article if such payment should constitute an act of self-dealing or a taxable expenditure, as defined in §§ 4941(d) or 4945(d), respectively, of the Code. Moreover, the Corporation shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance is inconsistent with § 4958 of the Code or any other provision of the Code applicable to corporations described in § 501(c)(3) of the Code. If any part of this Article 6 shall be found in any action, suit or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

ARTICLE VII LJPB RECORDS

7.1. Records. All LJPB records shall be maintained for at least five (5) years. The Corresponding/Information Management Secretary shall have primary responsibility for this function.

ARTICLE VIII BUDGETS, FINANCIAL REPORTS AND AUDITS

- 8.1. Fiscal Year. The fiscal year of LJPB shall begin on January 1 and end on December 31 of each year.
- 8.2. Budget. LJPB shall prepare and adopt an annual budget for each fiscal year, which budget shall be adopted prior to the start of the fiscal year.
- 8.3. Financial Statements. LJPB shall prepare an annual financial statement.
- 8.4. Audits. On an annual or other basis, LJPB shall obtain an independent audit if the LJPB BOARD determines that it is required by law or otherwise appropriate.

**ARTICLE IX
GOVERNING DOCUMENTS AND POLICIES**

- 9.1. Conflicts of Interest. All DIRECTORS, as individuals, and LJPB as a whole, shall at all times comply with all applicable laws regarding conflicts of interest. Unless permitted by applicable laws, no DIRECTOR shall vote or otherwise participate in any LJPB action or project if that DIRECTOR has a direct or indirect economic interest in the action or project.
- 9.2. Conflict of Interest Policy. LJPB shall maintain and observe a Conflict of Interest Policy conforming to the IRS sample conflict of interest policy for organizations exempt from income tax under Section 501(c)(3) (Form 1023 Instructions, Appendix A).
- 9.3. Statement of Values. All DIRECTORS, as individuals, and LJPB as a whole, shall at all times comply with the Statement of Values of La Jolla Parks and Beaches, Inc.
- 9.4. Policy on Management of Charitable Contributions. LJPB shall follow the Policy on Management of Charitable Contributions.

ARTICLE X

10. Effective Date and Amendments. These Bylaws became effective on March 22, 2021, the date they were approved by the BOARD. Subsequent amendments to the Bylaws must be approved by a majority vote of the DIRECTORS present at the meeting at which approval is sought and upon proper notice. Proper notice shall constitute at least fourteen (14) days written notice given to all DIRECTORS of the intention to alter, amend, repeal or adopt new bylaws at such meeting. LJPB shall post a complete copy of LJPB's amended Bylaws on the LJPB website within ten (10) days of adoption of any amendments.

History of Amendments

Original

Approved by vote of members 27 June 2011

Article II, Section 2.2 - Previously the number of members was 25.

Approved by vote of members 26 September 2011

Approved by the Director of Parks and Recreation 11 August 2011

Comprehensive rewrite

Approved by vote of members 25 July 2016

Article II, Section 2.3 - Previously a quorum was 25%.

Approved by vote of members 26 September 2016

Comprehensive rewrite -- March 2021

Approved by vote of members 22 March 2021