

BYLAWS
MARSHALL MUSTANG ORGANIZATION
9700 Avenue of Nations, San Diego, CA 92131

Amended and restated effective October 8, 2019

Article I – Corporate Name

Section 1: Full Name

The name of the corporation is Marshall Mustang Organization.

Section 2: Shortened Name

A permissible shortening of the full name, for use in publicity releases shall be “MMO.” For purposes of simplification, in the remainder of this document Marshall Mustang Organization shall be referred to as “Corporation” or “Organization” and Thurgood Marshall Middle School shall be referred to as “School.”

Article II – Principal Office of the Corporation

Section 1: Principal Office

The principal office for the transaction of activities and affairs of this corporation is located at 9700 Avenue of Nations, in San Diego County, California. The executive board may change the location of the principal office.

Article III - General and Specific Purposes; Limitations

Section 1: Purpose

The purpose of this organization is to enhance the educational experience and the learning environment, including the advancement of good citizenship, of all Thurgood Marshall Middle School students through the provision of supplemental funding secured through personal donations, fundraising activities, and corporate support.

Section 2: Limitations

The organization is organized exclusively for charitable purposes as defined under section 501(c)(3) of the Internal Revenue Code. In the context of these purposes, the organization shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purpose of this organization, and the organization shall not carry on any other activities not permitted to be carried on by (a) a corporation exempt from federal income tax under Internal Revenue Code §501(c)(3) or the corresponding provision of any future United States internal revenue law, or (b) a corporation, contributions to which are deductible under Internal Revenue Code §170(c)(2) or the corresponding provision of any future United States Internal Revenue Law.

Section 3: Status/Endorsements

The Organization shall be noncommercial, nonsectarian, nonpartisan and nonprofit (Refer to Section 501(c) (3) of the Internal Revenue Code). The organization shall endorse no commercial enterprise and no candidate or political group. Neither the name of the MMO nor the names of its officers or directors in their official capacities shall be used in any connection with a commercial enterprise or with any partisan interest or for any purpose other than the regular work of the MMO.

Article IV - Construction and Definitions

Section 1: Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentences, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

Article V - Irrevocable Dedication of Assets

Section 1: Irrevocable Dedication of Assets

This corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, organization, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code §501(c)(3).

Article VI – Membership

Section 1: Membership

A parent, legal guardian or relative of any child attending the School, all members of the faculty and staff at the school, and other interested parties are members in the organization. For purposes of simplification, in the remainder of this document a parent, legal guardian or relative of any child attending the school, all members of the faculty and staff at the school, and other interested parties shall be referred to as “general members.”

Section 2: Membership Rights

All general members shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the organization's assets, on any merger and its principal terms and any amendment of those terms, and on the election to dissolve the corporation. In addition, those general members shall have all rights afforded members under the California Nonprofit Benefit Corporation Law.

Section 3: No Dues, Fees or Assessments

There shall be no dues required for participation in the organization. There will be a pledge drive fundraiser held at the start of the school year, and other fundraisers as needed, for the purpose of meeting the objectives set forth in Article III, Section 1. Donations will be accepted throughout the school year.

Article VII – Election of Directors and Appointment of Officers

Section 1: Directors and Officers are Members

Each director and officer or board member shall be a member of this organization.

Section 2: Election of Directors

The directors of this organization shall be a president, executive vice president, three vice presidents, recording secretary, treasurer, financial secretary, and auditor. These directors shall be elected annually.

Section 3: Appointment of Officers

The officers of this organization shall be any chair of committee who shall be appointed by the president subject to ratification of the executive board.

Section 4: Nominations

- a. Nominations for office shall be made by the executive board.
- b. The executive board shall start to consider nominations at least two (2) months prior to the annual election meeting in May.
- c. The nominations for office shall be submitted to the membership at least fourteen (14) days prior to the annual election meeting. At the annual election meeting, additional nominations must be called for from the floor.

Section 5: Consent Needed to Receive Nomination; Limitation of Nominations

- a. Only those persons who have signified their consent to serve if elected shall be nominated for or elected to office.
- b. Nominees for the offices of president, treasurer, financial secretary, auditor, or any other elected director or officer authorized to sign checks shall not be related by blood or marriages or reside in the same household.

Section 6: Election

Election shall be by the majority of the votes of the members present at the annual election meeting in May. The election shall be held by ballot unless there is but one nominee for any office, in which case the ballot for that office may be dispensed with and the election held by voice vote

Section 7: Term of Directors and Officers

With the exception of the office of president, directors and officers shall serve for a term of one (1) year or until their successors are elected. In the event that no successor is elected, the position is declared vacant. The executive board-elect or executive board must fill vacant positions as per Article VII, Section 9 and Section 10. No director shall hold more than one (1) elected office. Directors and officers shall assume their duties as of July 1st.

Section 8: President-Elect

The president-elect may call meetings of the officers-elect and the principal of the school, or a representative appointed by the principal, as necessary to ratify the appointments of the appointed officers and chairpersons of committees, to fill vacancies on the board-elect and to make plans for the coming year's work.

Section 9: Vacant Offices

If an office remains unfilled after election, it shall be considered a vacant office to be filled by the board- elect.

Section 10: Filling Vacant Offices

The executive board shall elect a person to fill a vacant office for the unexpired term. Election to fill a vacancy shall require a majority vote of the executive board, with at least seven (7) days' previous notice. If notice is not given, the election to fill the vacancy shall require a two-thirds (2/3) vote. In case a vacancy occurs in the office of the president, the executive vice president shall serve notice of the election to the executive board (Refer to Article X, Section 2e).

Article VIII – Duties of the Directors and Officers

Section 1: The President

The president shall:

- a. Coordinate the work of the directors, officers and committees of the organization in order that the purposes may be promoted.
- b. Serve as the liaison between the organization and the school.
- c. Preside at all meetings of the organization and the executive board.
- d. Be a member ex officio of all committees.
- e. Appoint the chairpersons of committees subject to the ratification of the executive board.
- f. Prepare a list of the organization's directors, officers and chairpersons.
- g. Sign all authorizations for payment as required by the executive board or organization.
- h. Be responsible for preparing the organization's Annual Report.
- i. Be the official representative of the organization at all Scripps Ranch Schools Committee meetings and/or San Diego Unified School District meetings. If desired, the President may appoint a member or members to carry out these responsibilities with the approval of the Executive Board.
- j. Have all newsletters, flyers and/or notices approved by the principal, prior to distribution.
- k. Have all contracts and/or legally binding documents approved by the organization prior to signing a contract along with another elected director.
- l. Be authorized to sign checks, and not be related by blood, marriage or reside in the same household as the other authorized signers for the organization's financial accounts.
- m. Shall have one vote in the event of a tie.
- n. Shall serve a term of two (2) years.

Section 2: The Executive Vice President

The executive vice president shall:

- a. Serve as the primary aide to the president.
- b. Perform the duties of the president in the absence or disability of that director to act.
- c. Act as the parliamentarian giving necessary advice in parliamentary procedures when requested. Although acting as the parliamentarian, the executive vice president shall be entitled to all rights and privileges of membership including the right to make motions, debate and vote.
- d. Chair the bylaws committee and review the bylaws annually.
- e. Shall have one vote.

Section 3: The Additional Vice Presidents

- a. The additional vice presidents shall act as aides to the president and executive vice president and shall, in their designated order, perform the duties of the president in the absence or disability of that director and the Executive VP to act.
- b. The first vice president shall oversee the pledge drive.
- c. The second vice president shall review funding requests by the school departments and approve requests within the scope of the budget allocated to these departments by the organization.
- d. The third vice president shall oversee all MMO communications including, but not limited to, website, social media, and e-mail.
- e. Each Vice President shall have one vote.

Section 4: Recording Secretary

The recording secretary shall:

- a. Keep an accurate record of the proceedings of all meetings of the organization and the executive board in a minute book, which is the legal record of this corporation.

- b. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual; general, or special, and if special, how authorized; notice given; the names or persons present at board; and the number of members present or represented at members' meetings.
- c. Be prepared to refer to minutes of previous meetings.
- d. Record all expenditures made by special request and ratified by the executive board in the minutes.
- e. Keep a current signed set of the articles of incorporation, bylaws and standing rules.
- f. Conduct all necessary correspondence of the organization upon authorization of the president, executive board or organization.
- g. Notify directors of their election, officers of their appointments and chairpersons of their appointments.
- h. Send out notices of executive board meetings upon request of the President.
- i. Shall have one vote.

Section 5: The Treasurer

The treasurer shall:

- a. Keep such permanent books of account and records as shall be sufficient to establish the items of gross income, receipts and disbursements of the organization, the donations collected from the members and other donations received.
- b. Chair the budget committee and prepare the budget for adoption by the organization.
- c. Contact the bank to secure signatures of all authorized signers on all checking and savings account signature cards and file with the bank immediately upon taking office.
- d. Secure two (2) signatures on all checks for expenditures over five-hundred dollars (\$500). Any two of the following are authorized to sign: president, treasurer, executive vice president, financial secretary. The authorized signers shall not be related by blood or marriage or reside in the same household.
- e. Keep an accurate record of receipts and disbursements in a ledger, which is a permanent record of this organization. All other financial records must be retained for seven (7) years, including the current year.
- f. Keep the membership informed of expenditures as they relate to the budget adopted by the organization.
- g. Present a treasurer's report at every meeting of the organization and the executive board and at other times when requested by the organization.
- h. Be responsible for providing accounting records to the organization's CPA in a timely manner to facilitate tax return preparation and ensure timely filing of the organization's tax returns by the organization's CPA.
- i. Complete all other forms required of the organization by governmental agencies, including employee-reporting forms, if this organization pays employees; and independent contractor reporting forms, if this organization hires independent contractors.
- j. Make an annual financial report to the organization, which includes gross receipts and disbursements for the year.
- k. The books of accounts shall be open to inspection by any director or officer at all reasonable times.
- l. Shall have one vote.

Section 6: The Financial Secretary

The financial secretary shall:

- a. Receive monies for the organization, giving a receipt therefore, and deposit immediately in a bank approved by the executive board retaining a copy of the deposit slip.
- b. Individuals counting cash/checks shall not be related by blood, marriage or reside in the same household.
- c. Keep an accurate record of all deposits for filing with the treasurer's financial records of the organization.
- d. Shall have one vote.

Section 7: The Auditor

The auditor shall:

- a. Audit the books and financial records of the organization annually.
- b. The year-end audit shall be completed in July. The outgoing auditor performs the audit at the end of a term.

- c. Prepare the results of the year-end audit for presentation at the September meeting.
- d. Audit the books upon resignation of the treasurer, financial secretary or any check signer at any time deemed necessary.
- e. Not be related by blood or marriage or reside in the same household as the financial directors and/or authorized signers of checks.
- f. Be responsible for verifying in the year-end audit that all tax returns and other forms required by state and federal governmental agencies have been completed and filed by the due date.
- g. Shall have one vote.

Section 8: Removal of Directors or Officers

When a director or officer fails to attend three consecutive meetings without adequate excuse or when a director or officer is not fulfilling the responsibilities of the office as prescribed in the bylaws or standing rules, or engages in conduct which the executive board determines to be injurious to the organization or its purposes, the executive board may by a two-thirds (2/3) affirmative vote, take such action as it determines appropriate, which may include asking for the resignation of the director or officer.

Section 9: Other Duties of Directors and Officers

All directors and officers shall perform the duties prescribed in the current edition of ROBERT'S RULES OF ORDER NEWLY REVISED in addition to those outlined in these bylaws and those assigned by the executive board. Upon the expiration of the term of office or in case of resignation or termination, each director and officer shall turn over to the president, without delay, all records, books and other material pertaining to the office and shall return to the treasurer, without delay, all funds belonging to the organization.

Article IX – Organization General and Special Membership Meetings

Section 1: General Membership Meetings

Organization meetings are meetings of the general membership and shall be held during September and May unless ordered by the organization or the executive board. Notice of regularly scheduled meetings must be given to the entire membership at least seven (7) days in advance. Whenever members are required or permitted to take any action at a meeting, notice of the meeting shall be given not less than seven (7) days before the date of the meeting. The notice shall contain the place, date and time of the meeting and the general nature of the business that the board, at the time of the notice, intends to present for action by the members, but any proper matter may be presented at the meeting for action.

Whenever an organization members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. No meeting may be adjourned for more than forty-five (45) days. At the adjourned meeting the organization may transact business that would have been transacted at the original meeting.

Section 2: Annual Election of Directors

The organization meeting in May shall be the annual election meeting at which time directors shall be elected. At least fourteen (14) days prior, notice of the annual election meeting must be given.

Section 3: Presentation to General Membership of Programs, Budgets and Expenditures

The year's approved programs and budget, which includes all programs, projects and expenditures, shall be presented to the organization at the first organization meeting of the year in September. All programs, projects and expenditures MUST be recorded in the organization minutes, the legal record of this organization.

Section 4: Special Meetings

- a. The president may call special meetings.
- b. The president must call a special meeting upon the request of five (5) members of the executive board or by five percent (5%) or more of the general members of the organization. The requested special meeting must be held within fourteen (14) days of receipt of the request.
- c. All organization members must be notified of any special meetings at least seven (7) days prior to the meeting. Only business mentioned in the notice of a special meeting can be transacted at that meeting.
- d. Upon request of a special meeting by five percent (5%) or more of the general members, the president shall, within fourteen (14) days or receipt of such request, give notice to the members that a meeting will be held at a time fixed by the executive board, not less than thirty-five (35) days nor more than ninety (90) days after the receipt of the request.
- e. The notice shall contain the place, date, and time of the meeting and the general nature of the business that the board, at the time of the notice, intends to present for action by the members and no other business may be transacted.

Section 5: Quorum

Thirteen (13) general members shall establish a quorum for the transaction of business at any organization meeting.

Section 6: Privilege of Making Motions, Debating and Voting

The privilege of making motions, debating and voting shall be limited to general members of the organization who are present at the meeting.

Section 7: Approval by Majority Vote

If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting shall be deemed the act of the members unless the vote of a greater number is required by California Nonprofit Public Benefit Corporation Law or by the articles of incorporation.

Section 8: No Proxy Voting at General or Special Membership Meetings

Voting by proxy is PROHIBITED at general or special membership meetings.

Article X – Executive Board

Section 1: Members of the Executive Board

The executive board shall consist of directors and officers of the organization, the chairpersons of committees, the teacher representative and the principal of the school, or a representative appointed by the principal. The principal of the school or designed representative and the teacher representative, although not elected directors, serve in an advisory capacity with full voting privileges and shall have one vote each.

Section 2: Duties of the Executive Board

The executive board shall:

- a. Transact necessary business between meetings of the organization and such other business as may be referred by the organization.
- b. Approve the organization's budget, which includes all projects and expenditures. The budget for each year must be approved prior to the end of the preceding fiscal year.
- c. Authorize the payment of the organization's bills within the limits of the budget adopted by the organization.
- d. Authorize the payment of other unbudgeted expenses not to exceed a cumulative total of two-hundred dollars (\$200) between meetings of the organization. Ratification of payment of these expenses must occur at the next executive board meeting and must be recorded in the organization minutes.

- e. Create committees as are deemed necessary to promote the purposes and to carry on the work of the organization.
- f. Fill all vacancies in office, including that of president. Refer to Article VII, Section 10.
- g. Present the Annual Report at meeting of the organization in September.
- h. Receive a written financial report from the treasurer and financial secretary at each executive board and organization meeting.

Section 3: Limitations

The executive board is subject to the orders of the organization and none of its acts shall conflict with the purposes or the organization, these bylaws, or action taken by the organization.

Section 4: Compensation of Executive Board Members by the Organization

No part of the net earnings of the organization (including, without limitation, any monetary or other tangible item donated directly or indirectly to the organization) shall inure to the benefit of or be distributed to its directors, officers, chairpersons, committee members or other private persons except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the organization in accordance with the terms of the conflict of interest policy (see Article XVIII).

Section 5: Executive Board Meetings

The executive board shall meet at least once a month during the school year. No later than the first month of the school year, the executive board shall schedule the day and week for the monthly executive board meetings.

Section 6: Special Executive Board Meetings

The president may call special meetings of the executive board. The president must call a special meeting upon the request of five (5) executive board members. Special meetings must be held within fourteen (14) days of receipt of a request. All executive board members must be notified of special meetings at least seven (7) days prior to the meeting. Only business mentioned in the notice of a special meeting can be transacted at that meeting. All business transacted at a special meeting must be ratified at the next regular board meeting.

Section 7: Quorum for Executive Board Meetings

Seven (7) executive board members shall constitute as a quorum for an executive meeting.

Section 8: Authority for Electronic Meetings

A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the organization or by electronic video screen communication (1) if the organization implements reasonable measures to provide members in person a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including the opportunity to read or hear the proceedings, and (2) if any members votes or takes other action at the meeting by means of electronic transmission to the organization or electronic video screen communication, a record of that vote or action is maintained by the organization.

Section 9: Approval by Majority Vote

If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting shall be deemed the act of the members unless the vote of a greater number is required by California Nonprofit Public Benefit Corporation Law or by the articles of incorporation.

Section 10: Actions without Meetings – Action by Unanimous Written Consent

Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing, including electronically, to the action. The written consent or consents shall be filed with the minutes of the next meeting of the executive board. The action by written consent shall have the same force and effect as a unanimous vote of the members.

Section 11: Prohibition Against Proxy Voting at Executive Board Meetings

Voting by proxy is PROHIBITED at executive board meetings.

Article XI – Committees

Section 1: Creation

The following shall be committees of the organization: budget committee, bylaws committee, corporate sponsorships committee, hospitality committee, and 8th grade promotion committee. Other committees shall be created by the executive board as may be required to carry on the work of the organization.

Section 2: Chairpersons and Members of Committees

The president shall appoint chairpersons of committees, subject to ratification by the executive board. The chairpersons of committees shall appoint members to their committees with the guidance of the executive board and shall provide a full list of the names of the committee members to the executive board once the committee is established.

Section 3: Term of Office of Committee Chairpersons

The term of office for chairpersons shall be one year or until successors have been appointed. A chairperson may serve an additional term, if appointed by the president and approved by the executive board.

Section 4: Executive Board to Approve Work of Committees

The chairperson shall present plans of work to the executive board for approval. No contracts or payments shall be guaranteed without the consent of the executive board.

Section 5: Removal of a Committee Chairperson

When a chairperson fails to attend three consecutive meetings without adequate excuse or when a chairperson is not fulfilling the responsibilities of the office as prescribed in the bylaws or standing rules or engages in conduct which the executive board determines to be injurious to the organization or its purposes, the executive board may, by two-thirds (2/3) affirmative vote, take such actions as it determines appropriate, which may include asking for the resignation of the chairperson.

Section 6: Other Duties of Committee Chairperson

Each chairperson, upon his/her expiration of the term of office or in case of resignation or termination, shall turn over to the president without delay, all records, books and other material pertaining to the chairpersonship, and shall return to the treasurer, without delay, all funds belonging to the organization.

Section 7: Special Committees

The executive board has the power to create special committees in order to carry out specific programs and projects.

Section 8: Term of Chairperson and Members of Special Committees

The chairperson and members of special committees shall serve until their assignments have been completed.

Article XII - Fiscal Year

The fiscal year of this organization shall begin July 1 and end June 30.

Article XIII – Insurance

This organization shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its directors and officers, employees, and other agents, to cover any liability asserted against or incurred by any director, officer, employee, or agent in such capacity or arising from the director's, officer's, employee's, or agent's status as such.

Article XIV - Maintenance of Corporate Records

This organization shall keep the following:

- (1) Adequate and correct books and records of account; and
- (2) Minutes of the proceedings of its members, board and committees of the board.

The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

Article XV - Members' Inspection Rights

Section 1: Accounting Records and Minutes

On written demand of the organization, any member may inspect the accounting books and records and the minutes of the proceedings of the members, the directors, officers and committees of the board for a purpose reasonably related to the member's interest as a member. Any such inspection may be made in person or by the member's agent or attorney.

Section 2: Maintenance and Inspection of Articles and Bylaws

The organization shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, that shall be open to inspection by the members at reasonable times during office hours.

Article XVI - Directors' and Officers' Inspection Rights

Every director and officer shall have the absolute right at any reasonable time to inspect the organization's books, records, and documents of every kind, and to inspect the physical properties of the organization. The inspection may be made in person or by the director's agent or attorney.

Article XVII - Annual Report

The President shall present the Annual Report to the membership at the organization meeting in September. That report shall contain in appropriate detail the following:

- (1) The assets and liabilities, including the trust funds, of the organization as of the end of the fiscal year;
- (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (3) The revenue or receipts of the organization, both unrestricted and restricted to particular purposes, for the fiscal year;
- (4) The expenses or disbursements of the organization, for both general and restricted purposes, during the fiscal year; and
- (5) The results of the year-end audit.

This requirement of an Annual Report shall not apply if the organization received less than \$25,000 in gross receipts during the fiscal year, provided, however that the information specified above for inclusion in an Annual Report must be furnished annually to all directors and officers and to any member who requests it writing. If the board approves, the organization may send the report and any accompanying material sent pursuant to this section by electronic transmission. If a report sent to the Attorney General in compliance with the requirements of Govt.

Code § 12580-12599.7 includes the information required in the Annual Report, the organization may furnish the report to the Attorney General in lieu of the Annual Report whenever it is required to furnish an Annual Report.

Article XVIII – Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect the organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the organization. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

Section 1. Interested person

Any director, officer, or committee member who has a direct or indirect financial interest in any entity or individual with which the organization has a transaction or arrangement or seeks to have a transaction or arrangement is considered an interested person. Direct or indirect financial interest includes ownership of, investment interest in, or a compensation arrangement with the entity or individual. Direct and indirect remuneration as well as gifts or favors that aren't insubstantial are all considered compensation under this policy.

Section 2. Duty to Disclose

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

Section 3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the executive board or organization meeting where the conflict of interest is being addressed, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. If appropriate, the President shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the executive board shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the executive board shall determine by a majority vote of the disinterested directors and officers whether the transaction or arrangement is in the organization's best interest, for its own benefit, whether it is fair and reasonable, and whether to enter into the transaction or arrangement.

Section 4. Violations of the Conflicts of Interest Policy

If the executive board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the executive board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action including, but not limited to, removal of the member from the executive board and/or committees on which he/she serves.

Section 5. Compensation by the Organization

A director, officer, or committee member who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.

Section 6. Reporting

As part of the Annual Report to all members, or as a separate document if no Annual Report is presented, the organization shall prepare and make available to the membership and the executive board an annual record of any transactions between the organization and any interested persons that involved more than \$5,000 or that were one of several transactions with the same interested person involving, in the aggregate, more than \$5,000. The statement shall include a brief description of the transaction(s), the names of the interested persons involved, their relationship to the organization and the nature of their interest in the transaction.

Article XIX - Amendments to Bylaws

Section 1: Annual Review of Bylaws

Bylaws for this organization shall be reviewed annually and updated as needed by the bylaws committee of this organization.

Section 2: Two-thirds Voted Needed to Adopt Amended Bylaws

The organization shall by a two-thirds (2/3) vote of the executive board and a majority of the members present adopt amended bylaws at any meeting provided notice of the meeting was given at least fourteen (14) days prior to the date of the meeting to the membership. The notice shall contain the place, date, and time of the meeting and the general nature of the business that the board, at the time of the notice, intends to present for action by the members, but any proper matter may be presented at the meeting for action.

Section 3: Amendments Required by California Corporation Code

The adoption of any amendment to any provision of the bylaws required by California Corporations Code shall serve automatically and without the requirement of further action by this organization to amend correspondingly the bylaws of this organization. Notwithstanding the automatic character of the amending process, this organization shall promptly incorporate such amendments in its bylaws.

Article XX - Dissolution of Organization

Section 1: Dissolution of the Corporation; Vote Necessary in a General Meeting

All of the following requirements must occur for dissolution of the corporation to become effective:

- (1) Before voting to dissolve the corporation, notice shall be given fourteen (14) days prior to this general meeting. This must be done through all of the following means:
 1. A notice sent home with students or voicemail or email to participants and
 2. An announcement made in the regularly scheduled monthly board meeting.
- (2) The members shall designate a nonprofit fund, foundation, organization, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code §501(c)(3) to receive any undesignated funds.
- (3) An approval of the motion to dissolve by majority vote of the members.

Section 2: Disbursements of Funds upon Dissolution

After a vote to dissolve has been made the treasurer shall immediately pay all outstanding obligations. A reserve fund shall be set aside by the treasurer to cover all contingent liabilities. All undesignated funds on hand and other funds, as they are received or freed from reserve for contingent liabilities, shall be turned over to the designed nonprofit fund, foundation, organization, or 501(c)(3) corporation.