

FRIENDS OF THE SAN DIEGO PUBLIC LIBRARY
A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION

BYLAWS
REVISED AUGUST 12, 2017

ARTICLE 1
NAME AND PURPOSE

- 1.1 Name: The name of the Corporation shall be the FRIENDS OF THE SAN DIEGO PUBLIC LIBRARY.
- 1.2 Purpose: The purpose of this Corporation shall be to assist in the development of the San Diego Public Library System so that it may fulfill its literary, social and educational purposes; to encourage and arrange for gifts of books, materials, and other property to the Libraries; to promote public use and support of the Library, and appreciation of its value to the community; and to consult with the Library administration and other authorities in order to further the aforementioned objectives.
- 1.3 Definitions:
- a. **General Member** shall mean a dues paying person, business, or organization supportive to the purposes of the FRIENDS OF THE SAN DIEGO PUBLIC LIBRARY.
 - b. The FRIENDS OF THE SAN DIEGO PUBLIC LIBRARY may be referred to as FSDPL or Friends, when in an appropriate context.
 - c. **Affiliate Chapter** is a library friends group of dues-paying friends related to the Central Library or a particular branch that is included in the FSDPL Tax Identification Number.
 - d. **Associate Chapter** is a library friends group related to a particular branch that is separately incorporated for charitable non-profit status.
 - e. **Board of Directors** (Board) includes the President, 1st Vice-President, 2nd Vice-President, Secretary, Treasurer, and no fewer than five (5) or more than nine (9) additional general members, all of whom have been elected by the general membership to serve as the Board of Directors. It may also include, at the Discretion of the Board of Directors, the Executive Director of the FSDPL. Officers and elected Directors must be members of the Friends.
 - f. **Board of Directors (ex-officio members)** includes past-Presidents of the Friends, the Director of the San Diego Public Library (or designated representative), and other members appointed by the Board at its

discretion. Ex-officio members are not directors and do not have voting rights on the Board.

- g. **President's Advisory Council (PAC)** includes the elected Officers and Directors, the Executive Director, the ex-officio members of the Board, the President or designated representative from Affiliate Chapters, and the President or designated representative of the Associate Chapters.
- h. **Executive Director** is a non-elected general member, appointed by the Board of Directors, who handles the day to day operations of the corporation as directed by the Board of Directors.

ARTICLE 2 OFFICES

- 2.1 Principal Office: The principal office of the Corporation for the transaction of its business of the corporation is fixed and located at 4193 Park Boulevard, San Diego, CA 92103-2501, or at such other location as the Board of Directors shall from time to time determine. The Board of Directors is granted full power and authority to change the principal office from one location to another. The Corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

ARTICLE 3 FISCAL YEAR

- 3.1 Fiscal Year. The fiscal year of the Corporation shall commence on the first of July and end on June 30th.

ARTICLE 4 MEMBERSHIP

- 4.1 Membership Eligibility: Membership shall be open to all persons, businesses, and organizations supportive to the purposes of the Friends of the San Diego Public Library, and shall include all Affiliate Chapter members.
- 4.2 Categories of Membership: The various categories of membership shall be determined by the Board of Directors.
- 4.3 Voting Rights:
 - a. Each general member shall be entitled to one vote at the annual election of Officers and Directors and on issues raised therein.
 - b. All Affiliate Chapters will be entitled to one vote at the President's Advisory Council meetings.

- c. The Officers and Directors are entitled to one vote at the meetings of the Board of Directors and at monthly PAC meetings. At PAC meetings they may not vote twice if they also serve as a President or designated representative of an Affiliate Chapter.
- 4.4 Dues: Dues for the various categories of membership shall be set by the Board of Directors.
- a. Membership shall extend for a period of one (1) year, which shall be the calendar year of the Corporation, from January 1 through December 31.
 - b. The initial dues of a member who joins after October 1st shall be credited to the following year.
- 4.5 Meetings:
- a. For the Annual Meeting, a quorum shall exist with 50 general members in attendance. The Annual Meeting shall be held at a time and place designated by the Board of Directors for purposes of electing and seating of Officers, receiving various reports, and transacting any other business.
 - b. At the President's Advisory Council monthly meetings and the Board of Director meetings, a quorum shall exist with 51% of the currently seated elected Board of Directors present.
 - c. Special meetings may be called by the President, with the approval of the Board of Directors, or at the written request of twenty general members. The purpose of any such meeting must be stated in advance, preferably in writing, and no other business besides what is previously stated, shall be conducted.
- 4.6 Membership Lists: The city-wide FSDPL membership lists and Affiliate Chapter membership lists are a corporate asset. Without consent of the Board of Directors, no membership list, or any part thereof, may be used by any person or organization for any purpose not reasonably related to the goals and purposes of the FSDPL.

ARTICLE 5 BOARD OF DIRECTORS

- 5.1 Power of Board: Subject to any limitations in the Articles of Incorporation, these Bylaws, actions and policies authorized by the membership, and the laws of the State of California, the activities and affairs of this Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board may delegate the management of the activities of the Corporation to any person or persons, management company, or committee or committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Each Director shall exercise such powers and otherwise perform such duties in good faith, in the manner such Director believes

to be in the best interest of the Corporation, and with such care, including reasonable inquiry, using ordinary prudence, as a person in a like position would use under similar circumstances, in accordance with Section 5231 of the California Nonprofit Public Benefit Corporation Law.

- 5.2 Number of Directors: The number of Directors of the Corporation shall consist of five (5) elected officers and no fewer than five (5) nor more than nine (9) elected Directors. It may also include, at the discretion of the Board of Directors, the Executive Director of FSDPL.
- 5.3 Officers of the Board: The Officers of this Corporation shall include the President, 1st Vice President, 2nd Vice President, Secretary, and Treasurer.
- 5.4 Compensation: Elected Directors shall not receive compensation for their services and may not be employees of the corporation; however, reimbursement of expenses may be paid, as determined by resolution of the Board of Directors to be just and reasonable.
- 5.5 Place of meetings: Meetings of the Board of Directors shall be held at the principal office of the Corporation unless otherwise provided by the Board at such place within or without the State of California which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held at the principal office of the Corporation shall be valid only if held on the written consent of all Directors given either before or after the meeting and filed with the Secretary of the Corporation or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the Board. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in such meeting can hear one another.
- 5.6 Regular Meetings: Regular meetings of Directors may be held without notice at such time and place as the Board may fix from time to time. Each Director shall cast one vote. The Board shall meet no less than once a quarter to conduct business.
- 5.7 Special meetings: Special meetings of the Board of Directors may be called by the President, either Vice President, the Secretary, or by any two Directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Corporation.
- 5.8 Notice of meetings. Regular meetings of the Board may be held without notice. Special meetings of the Board shall be held upon four (4) days notice by first-class mail or forty-eight (48) hours notice delivered personally by telephone or email. If sent by mail or email, the notice shall be deemed to be delivered on its deposit in the mails. Such notices shall be addressed to each Director at his or her

address or email address as shown on the books for the Corporation. Notice shall specify the purpose, place, day and hour of the meeting. No other business besides the intended purpose of the special meeting may be conducted at a special meeting of the Board.

- 5.9 Quorum for meetings: A 51% majority of the currently seated elected members of the Board of Directors constitutes a quorum.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this Corporation.

- 5.10 Majority action as Board action: Every act or decision done or made by a majority of the Directors present at a meeting, although not at a regularly called meeting, at which a quorum is present is the act of the Board of Directors, provided there is a written record verifying the motion and action of the Board. The Board may not act if in conflict with the Articles of Incorporation or Bylaws of this Corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238e), or require a greater percentage or different voting rules for approval of a matter by the Board.

- 5.11 Conduct of meetings: Meetings of the Board of Directors shall be presided over by the President, or in his or her absence, by the 1st or 2nd Vice President of the Corporation 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 Corporation shall act as secretary of all meetings of the Board, provided that, in their absence, the presiding Officer shall appoint another person to act as Secretary of the meeting.

Deliberations of the Board and all other bodies of the Corporation shall be governed by the current edition of Roberts Rules of Order, when not in conflict with these bylaws.

5.12 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. 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 the unanimous vote of the 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.

5.13 Vacancies: A vacancy in the Board shall be filled by seeking a candidate approved by majority vote of the Board and by those present at a PAC meeting. Each Officer or Director so chosen will serve until the next annual meeting at which time the position will be filled according to Article Seven (7).

- a. Should any Officer or Director miss three (3) unexcused consecutive meetings of the Board, the position held may be declared vacant by a majority vote of the Board.
- b. Any Officer or Director may resign at any time by giving written notice to the Corporation. Any such resignation shall take effect at the date of receipt of that notice or at any later time, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party.
- c. Any Officer or Director may be removed from office upon the vote of three-fourths (3/4) of the currently seated elected members of the Board of Directors. As an alternative, a recall petition asking for the recall of any Officer or Board member must be signed by 50 general members. A follow up vote by the Board must pass with a simple majority.

5.14 Terms of Office:

1. Election. The election of Officers and Directors whose terms have expired or been declared vacant shall be held yearly at the annual meeting.
2. Terms of Office
 - a. Each Officer and elected member of the Board shall serve for a term of two (2) years, but at the discretion of the Board it may establish shorter terms for the non-Officer elected members to provide that no more than one-half of the non-Officer elected members of the Board shall be elected in a given year.
 - b. An Officer or other elected member of the Board may not serve more than two consecutive two-year terms unless an exception is recommended by the PAC and approved by a majority of the Board.
 - c. A person may be elected again after a one year absence from the Board.

d. A non-Officer elected member of the Board may be elected as an Officer, with the possibility of election to a second term, without taking a year's absence from the Board or having their service as a non-Officer elected member of the Board count toward consecutive years of service.

e. An Officer currently serving in a given elected office may be elected to another given elected office, with the possibility of a second term, without taking a year's absence from the Board or having their service in the earlier office count toward consecutive years of service.

f. A person appointed to fill an expired term of two years or less may be elected thereafter for two (2) two-year terms.

g. A person who has completed two (2) two-year terms may be appointed to fill an unexpired term of two (2) years or less.

h. The Executive Director is appointed by the Board and has no specific term of service.

5.15 Duties of the Corporate Officers and Board:

a. Duties of the President.

1. Shall be the Chief Executive Officer of this Corporation and shall preside at all meetings of the membership and the Board.
2. Shall be an ex-officio member of all committees except the Nominating Committee.
3. Shall have active management of all business of the Corporation.
4. Shall see all orders and resolutions of the Board are carried into effect.
5. Shall exercise such other powers and perform other duties as shall be determined from time to time by the Board of Directors.
6. Shall speak on behalf of the FSDPL with respect to matters related to the SDPL or may delegate that duty to another Officer or member of the Board.
7. Shall attend or appoint a representative to speak on behalf of the Friends to The Board of Library Commissioners.
8. Shall advocate on behalf of the FSDPL on issues related to the SDPL.

b. Duties of the 1st Vice President.

1. Shall perform the duties of the President, when the President is temporarily or permanently unable to be present.
2. In the event of a resignation of the President, shall perform such other duties as the Board shall direct until such time as a new President is voted into office.
3. Shall work to coordinate efforts to support chapters and recruit new members and volunteers to FSDPL.
4. Shall advocate on behalf of the FSDPL on issues related to the SDPL.

c. Duties of the 2nd Vice President.

1. Shall perform or coordinate efforts of fund raising, to include book sales, membership drives and other forms of fund raising.
 2. Shall work with Affiliate Chapters to coordinate grant applications.
 3. Shall work with the 1st Vice President to recruit new volunteers to FSDPL.
 4. Shall advocate on behalf of the FSDPL on issues related to the SDPL.
- d. Duties of the Secretary.
1. Shall record the minutes of the Directors meetings and the Presidents Advisory Council, to include all actions and votes of each action.
 2. Shall see record management is appropriately maintained in the Corporate files.
 3. Shall advocate on behalf of the FSDPL on issues related to the SDPL.
- e. Duties of the Treasurer.
1. Shall be responsible for the fiscal accounting and budgetary functions required in the operation of the Corporation.
 2. Shall recommend to the Board of Directors the time and amounts of contributions to be made to the San Diego Public Library.
 3. Shall promptly cause to be deposited all funds into the checking account and authorize to pay all bills up to a \$500.00 limit. Payments over \$500 must be approved in advance by a majority vote of the Board of Directors, with the exception of funding that fulfills requirements of restricted grants/gifts.
 4. Shall collect, review, and correct information from all Affiliate Chapters on their annual financial statements. Incorporate the information, and submit the necessary documents to prepare the financial Corporate reports to the Board of Directors, and for purposes of tax filings.
 5. Shall report to the PAC and the Library System the total amount of contributions made to the city library system from the entire city-wide Friends organizations.
 6. Shall review Chapter financial reports and incorporate these reports into the final corporate report, to prepare for audit as established by the Board.
 7. Shall advocate on behalf of the FSDPL on issues related to the SDPL.
- f. Duties of the Executive Director.
1. Shall work with the 1st and 2nd Vice President in all fund raising efforts.
 2. Shall maintain the membership records and send out all appropriate notices required by law or these bylaws.

3. Shall send all recording papers to the State as required by law.
4. Shall endeavor to keep up with any changing legal requirements made of a tax-exempt corporation and make appropriate adjustments as required.
5. Shall maintain all records in an organized method.
6. Shall be a means for press and public publicity matters.
7. Shall work with the Treasurer to create an annual budget and see the budget is adhered to and/or suggest budget adjustments as needed.
8. Shall pay bills promptly and record transactions or report transactions to the Treasurer.
9. Shall evaluate and review insurance coverage for the corporation, to be reported to the Board of Directors for action.
10. Shall prepare all materials and provide support for annual meeting.
11. Shall maintain a roster of chapter grant applications and awards.
12. Shall ensure staffing and maintenance of regular office hours.
13. Shall perform other duties as assigned by the Board of Directors.

ARTICLE 6

PRESIDENT'S ADVISORY COUNCIL AND COMMITTEES

- 6.1 President's Advisory Council. The President's Advisory Council shall act in an advisory capacity to the Board and provides a means of communication to and from Affiliate and Associate Chapters.
- 6.2 Committees. The Board may appoint committees which may include or consist of persons who may or may not be members of the Board. These additional committees shall act in an advisory capacity only to the Board.
- 6.2 Meetings and action of committees. Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by the committee.

ARTICLE 7

NOMINATIONS, ELECTIONS AND ANNUAL MEETING

- 7.1 Appointing a Nominating Committee: At least two (2) months prior to the annual meeting, the Board of Directors shall appoint a Nominating Committee consisting of three (3) general members, one of whom shall be an Officer or Director of the Corporation. The committee shall submit a slate of nominees to the Executive Director at least one (1) month prior to the annual meeting. The Nominating Committee shall receive and consider suggestions for nominations by any member.

- 7.2 Presentation of Nominations: At the Annual meeting, the nominating committee shall present its nominations for each position of Officers and Director positions to be filled. In addition, nominations from the floor will be invited. No one shall be nominated without prior consent. Nominations from the floor must be accompanied by a letter of acceptance and/or by a verbal consent by the present nominee. All nominations, whether by the committee or from the floor, should be presented to the membership with a short biographical sketch.
- 7.3 Voting for Nominees: Each member in good standing attending the annual meeting in person shall vote for one (1) candidate for each vacant position scheduled to be filled.
- 7.4 Election Results: If there is a contest for any Officer or Director position, the candidate receiving the most votes for such position shall be declared elected. Ties shall be decided by lot. Officers and Directors elected at the annual meeting, shall take office at the close of said annual meeting.

ARTICLE 8
INDEMNIFICATION BY CORPORATION
OF DIRECTORS, OFFICERS, EMPLOYEES
AND OTHER AGENTS

- 8.1 Right of Indemnity: To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 5238(a) of the California Nonprofit Public Benefit Corporation Law, including persons formerly occupying any such position, 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 Corporation, 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 Section 5238(a) of the California Nonprofit Public Benefit Corporation Law.
- 8.2 Approval of Indemnity: On written request to the Board of Directors by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Nonprofit Public Benefit Corporation Law, the Board shall promptly determine under Section 5238(e) of the California Nonprofit Public Benefit Corporation Law whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met, and, if so, the Board shall authorize indemnification.
- 8.3 Advancement of Expenses: To the fullest extent permitted by law and except as otherwise determined by the Board of Directors, expenses incurred by a person seeking indemnification under Section 8.1 and 8.2 above of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the

Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

- 8.4 Insurance for Corporate Agents: The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a Director, Officer, employee or other agent of the Corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 or the California Nonprofit Public Benefit Corporation Law) 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 Section 5238 of the California Nonprofit Public Benefit Corporation Law.
- 8.5 Insurance for Corporation: In order to obtain the full benefit of the limitation of liability set forth in subsections mentioned above, the Corporation shall make all reasonable efforts in good faith to obtain and maintain liability insurance in the form of general liability policy for the corporation.

ARTICLE 9 CORPORATE RECORDS, RESPONSIBILITY AND REPORTS

- 9.1 Records: The Corporation shall maintain adequate and correct accounts, books and records of its business and properties and shall maintain minutes of the proceedings of the Board of Directors. All of such books, records and accounts shall be kept at its principal executive office in the State of California, as fixed by the Board of Directors from time to time.
- 9.2 Inspection of Books and Records. The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be kept at the Corporation's principal executive office and shall be open to inspection by the Directors of the Corporation, at all reasonable times during office hours, as provided in Section 5160 of the California Nonprofit Public Benefit Corporation Law.
- 9.3 Checks, Drafts, Notes, Etc. All checks, drafts or other order for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.
- 9.4 Authority to Execute Contracts: The Board of Directors, except as otherwise provided in the Bylaws, may authorize any Officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such contract(s) may be audited for economic timeline, by the

Directors and authority for the contracts may be general or confined to specific instances. Unless so authorized by the Board of Directors, no Officer, agent or employee shall have any power or authority to bind the Corporation by any contract or agreement, or to pledge its credit, or to render it liable for any purpose or to any amount, except as provided in Section 5214 of the California Nonprofit Public Benefit Corporation Law.

- 9.5 Financial Statements. A copy of any annual financial statement of the Corporation and any accompanying balance sheet of the Corporation that has been prepared by the Corporation shall be kept on file in the principal executive office of the Corporation in accordance with the FSDPL Document Retention Policy. Each such statement shall be exhibited at all reasonable times to any Officer or Director or member demanding an examination of any such statement.

The Officers and Directors shall have such rights to review the financial statements of the Corporation at the principal executive office of the Corporation at reasonable times or to receive a copy of such statements, as provided in Section 6334 of the California Nonprofit Public Benefit Corporation Law.

The income statements and balance sheets referred to in this Section shall be accompanied by the report, if any, of any independent accountants engaged by the Corporation or the certificate of an authorized Officer of the Corporation that the financial statements were prepared with or without audit from the books and records of the Corporation.

- 9.6 Annual Statement of General Information. Within ninety (90) days after the date of incorporation and annually thereafter, the Officers of this Corporation shall prepare and file with the California Secretary of State a statement setting forth the information as requested by and in compliance with Section 6210 of the California Nonprofit Public Benefit Corporation Law.

- 9.7 Donations: The Corporation may accept gifts, legacies, donations, and/or contributions in any amount and any form upon such terms and conditions as may be decided from time to time by the Board of Directors.

- 9.8 Annual Reporting: The Corporation shall file all government required paperwork within the normally required filing periods.

- 9.9 Political Activities: The Corporation, Member Chapters, their officers and/or directors shall refrain from any intervention in any political campaign on behalf of, or in opposition to, a candidate.

- a. The Corporation or any Chapter shall not make any political or lobbying expenditures, or undertake fund raising activity, which will result in the loss of, or otherwise adversely affect the status as a tax-exempt organization under the current Internal Revenue Code.

- b. Lobbying expenditures for library-related issues are permissible within specific limitations.

ARTICLE 10
PROPERTY OF CORPORATION

- 10.1 Property used Exclusively for Charitable Purposes. During the existence of this Corporation, the assets and property of this Corporation, including all personal property and all real property wherever situated, shall be irrevocably dedicated, held, used and applied exclusively to promote and further the general charitable purposes and objective of this Corporation, as set forth in its Articles of Incorporation.
- 10.2 Distribution of Assets Upon Dissolution. The assets and property of this Corporation are irrevocably dedicated to charitable purposes, and no part of the net income or assets shall ever inure to the benefit of any private person. Upon the dissolution and winding up of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a like nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes, and which has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code; provided that such distribution shall also comply with the provisions of Section 6715 and 6717 of the California Nonprofit Public Benefit Corporation Law pertaining to distributions of assets held under trust or subject to conditions imposed by donors or grantors.

ARTICLE 11
AMENDMENT OF BYLAWS

- 11.1 Amendments. To amend or alter any of these bylaws, the members may, by a vote of two-thirds (2/3) of those attending the annual meeting, amend or repeal any of these Bylaws, or may adopt additional Bylaws; except that these Bylaws may not be altered, amended, or modified in any manner which would alter the general charitable purposes of this Corporation or which would jeopardize the tax exempt status of this Corporation as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

Furthermore, notwithstanding any other provisions of these Bylaws to the contrary, amendments of the Bylaws may only be considered at the annual meeting by notice of not less than ten (10) days in advance, and the substance or the proposed amendment must be set forth in such notice.

- 11.2 Record of Amendments. Whenever an amendment or new bylaw is adopted, it shall be copied in the book of Bylaws with the original Bylaws, in the appropriate place. If any bylaw is repealed, the fact of repeal with the date of the meeting at

which the repeal was enacted to written assent was filed shall be stated in said book.

ARTICLE 12 CONFLICT OF INTEREST

12.1 Purpose The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) 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 or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

12.2 Definitions

- a. Interested Person: Any Director, principal Officer, or member of a committee with governing Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
 - 2. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article IV, Section 4.3, b a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists.

12.3 Procedures

- a. Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the

Directors and members of committees with governing Board delegated powers considering the proposed transaction or arrangement.

- b. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest
 1. An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 2. The chairperson of the governing Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 3. After exercising due diligence, the governing Board or committee 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.
 4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- d. Violations of the Conflicts of Interest Policy
 1. If the governing Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing Board or committee determines the member has failed to disclose an actual or

possible conflict of interest, it shall take appropriate disciplinary and corrective action.

12.4 Records of Proceedings: The minutes of the governing Board and all committees with Board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

12.5 Compensation

- a. A voting member of the governing Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. A voting member of the governing Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

12.6 Annual Statements: Each Director, principal Officer and member of a committee with governing Board delegated powers shall sign upon election a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and

- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- 12.7 Periodic Reviews: To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
 - b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- 12.8 Use of Outside Experts: When conducting the periodic reviews as provided for in Article 12.7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE 13 NONDISCRIMINATION

- 13.1 Discrimination: The Corporation prohibits discrimination against current or prospective volunteers, members, and employees on the basis of race, color, sex, religion, national origin, age, disability, sexual orientation, or any other legally protected characteristic.
- 13.2 Staffing: It is the policy of this Corporation to employ and promote personnel regardless of the foregoing characteristics, unless one or more of them are a bona fide requirement of a particular position. The Corporation is firmly committed to a policy of equal opportunity in all aspects of employee relations, including employment, salary administration, employee development, promotion and transfer.

ARTICLE 14 ENVIRONMENTAL COMMITMENT

- 14.1 The Corporation recognizes that the policies and practices we adopt today will shape not only our lives but also those of future generations. We therefore have an opportunity to make a positive contribution to environmental and social concerns

by enacting policies designed so that our business operations do not degrade the environment or cause social harm.

ARTICLE 15 REFERENDUMS AND RECALLS

- 15.1 Referendums: If a referendum petition protesting an action by the Board of Directors, signed by ten (10) percent of the general members, is presented to the FSDPL President, the President shall suspend such action until a referendum election is held. The general members shall be notified in advance and in writing of a special meeting to discuss all views on the issue. The election, administered by the Nominating Committee, shall then be held within thirty (30) days following submission of the petition. The outcome will be decided by simple majority.
- 15.2 Recalls: Any Officer or Director of the Corporation may be removed from office upon the vote of three-fourths (3/4) of the members of the Board of Directors. As an alternative, a recall petition asking for the recall of any Officer, signed by 10 percent (10%) of the general membership, may be presented to the Nominating Committee. The general members shall be notified in advance and in writing of a special meeting to discuss all views on the issue. The election, administered by the Nominating Committee, shall then be held within thirty (30) days following submission of the petition. The outcome will be decided by simple majority. Any position vacated by recall shall be filled by a special election, with nomination and election supervised by the Nominating Committee. This election shall be held within thirty (30) days of the successful recall.

ARTICLE 16 AFFILIATE CHAPTERS

- 16.1 Organization of New or Reorganizing Chapters:
- a. A member of the Corporation in good standing, alone or together with others residing or working in the vicinity of a particular branch or department of the San Diego Public Library System, may organize a Chapter after completing the following procedures:
 1. Hold an organizational meeting, with recorded minutes, to elect either an ad hoc board or a legitimate board of directors made up of at a minimum, a President, Secretary and Treasurer. The librarian assigned to the branch or department shall be an ex-officio member.
 2. Agree to promote the purposes of the Friends Corporation, both with respect to the particular branch library and the Library System.

3. Obtain and review a copy of the Articles of Incorporation, these bylaws, the policy statements of the corporation and the current Operations Manual.
 4. Name the Chapter in the following manner: “Friends of the San Diego Public Library, XXX Chapter.” Existing groups with differing names may retain their names, but “branch” should be replaced with “Chapter” and changed at the earliest possible time.
 5. Adopt the bylaws as written in the standing rules, or present a copy of the Chapter’s approved bylaws, which must be consistent with the Articles of Incorporation or these bylaws. If submitting bylaws, they must be approved by the Board of Directors, prior to Chapter approval.
 6. Obtain confirmation as an affiliated Chapter of the Friends of the San Diego Public Library from the Board of Directors.
 7. Establish an appropriate checking account, at a Corporate approved financial institution, and set of account books. Two members of the Chapter should be able to sign checks. The address of the branch library shall be used.
 8. Pay the Chapter’s annual membership fees.
 9. Hold its membership list as a corporate asset. Without consent of the Board of Directors, no membership list, or any part thereof, may be used by any person or organization for any purpose not reasonably related to the goals and purposes of the FSDPL and/or its Affiliated Chapters.
- b. Newly selected officers shall do the following:
1. Plan to hold other meetings to increase the total membership.
 2. Recognize the need to attend regularly scheduled PAC monthly meetings.
 3. Complete fiscal reporting and other obligations of a fund raising organization in a timely manner.
 4. Prepare materials with which to operate using seed money from FSDPL. Membership applications and many materials are available from the FSDPL office.

16.2 Affiliation with the Friends

- a. A new chapter, or a reorganized chapter, after being recognized by the FSDPL Board of Directors, automatically acquires the privileges and obligations assigned by the corporation:
 1. Privileges:
 - A. The prestige of being affiliated with a popular, city-wide recognized pro-library corporation.
 - B. The use of the tax-exempt corporate ID number required to open chapter bank accounts and conduct other business.

- C. Use of the bylaws and related policies.
 - D. Sharing in the insurance coverage for Directors and Officers Indemnity.
 - E. Use of bulk mail permit.
 - F. Sharing in general liability coverage.
 - G. Reliance on the corporation to prepare the necessary yearly tax reporting.
2. Obligations: The obligations of affiliation as a Chapter in the FSDPL include:
- A. Joining with the functions of the FSDPL.
 - B. Attending and be represented regularly at PAC and Annual meetings.
 - C. Preparing by August 15th the yearly financial statement, reporting all income and expenses along with contributions made to the library and keeping accurate books.
 - D. Hold regular Chapter meetings.
 - E. Make good faith efforts to increase membership.
 - F. Inform the Executive Director of fund raising or other Chapter activities that will occur off-site, prior to the event, ensuring proper liability insurance is complied with and paid.
 - G. Make good faith efforts to seek candidates to hold Chapter officer positions.
- b. Any Chapter, so organized as to be affiliated with the Corporation, shall be governed by the Articles of Incorporation, the bylaws, and the current policy statements of the corporation.
- c. The Board of Directors shall do all within its power to help each affiliated Chapter to reach its highest potential in services to the branch library or department it serves and to comply with the Corporation's policies and bylaws.

16.3 Current Chapters: The Executive Director of FSDPL shall keep a current listing of all Board recognized Affiliate Chapters and Associated Chapters.

- a. Each chapter shall, according to those suggested in the standing rules, or its own bylaws, name a representative who shall serve and be a member of the PAC. Chapters are to keep the Corporate Board informed of their activities, programs, and special fund raisers. Attending the PAC is an obligation.

16.4 Closing out Chapters: When a Chapter is no longer able to function, a letter of closure and a check for the balance of funds available must be sent to the FSDPL Treasurer. A closing financial statement is required along with delivery of all pertinent files.

16.5 Non-compliance: If any affiliated Chapter violates, fails to comply with any of the provisions of the Articles of Incorporation, these bylaws, or policies of the Corporation, the President, on instruction from the Board of Directors, shall give said affiliated Chapter thirty (30) days written notice to comply and cease such violations, and/or turn over funds to be maintained by the Corporation until such time as the Chapter can/does comply with the Corporate Articles of Incorporation, bylaws, or policies of the Corporation. If the affiliate chapter fails or refuses to comply within said thirty (30) days, the Board may chose to suspend the Chapter. If said violation and/or non-compliance continues for further than a thirty (30) day period beyond the date of suspension, then the Board of Directors may permanently terminate the affiliation of said Chapter with the FSDPL Corporation. This especially applies to the requirement that each Chapter must annually submit its completed financial statement by the required August 15th date.