

Leadership Manhattan Beach



BYLAWS

Revision 11

November 14, 2019

Leadership Manhattan Beach Bylaws

Revision Record

Revision	Date	Description of Changes	Section
Original	July 1991	Original release	All
1	August 1999	Increased maximum number of people on the board of directors to 20.	§6
2	May 2000	Completely rewritten to establish LMB as a membership-based organization. Members defined as those alumni who have paid their annual dues or are graduates of most recent class. Defined Board of Directors to consist of President, Vice President, Secretary, Treasurer, Program Director, Recruiting Director, Community Relations Director, and Sponsorship Director. Supporting committees established. Board of directors to be elected by voting members.	All
3	April 5, 2001	Added 6.13 Communications Director and renamed 6.11 Community Relations Director to Membership Director. Redefined responsibilities for 6.09 Recruiting Director and 6.11 Membership Director to better distribute workload. Revised section 7.08 to enable election of an interim Communications Director prior to next annual election. Revised paragraph 8.02 to delete the paid position of a Supporting Coordinator in favor of a volunteer coordinator position. Added revision record. Renumbered cover, revision record and table of contents to i, ii, iii. Updated Table of Contents to reflect changed paragraph titles and page numbers.	§6, §8
4	Nov 21, 2002	Added 2.01II(f) Major Sponsor definition and amended 6.02 to redefine participation of Major Sponsors as Non-Elected Board Members. Removed old language and inconsistencies, and added clarifying definitions in 3.04(a) and (b), 5.02, 6.01, 6.04(c) and (d), 6.13, 7.01, 7.02, 7.04, 9.02, 9.07, 9.08, 9.09, and 11.01. Added a Non-discrimination policy in Section 4.05. Deleted Section 7.08 Bylaws Implementation which was specific to implementing the Bylaws Revision 3 of April 3, 2000, and renumbered the remaining sections of Article VII. Deleted Section 9.10 Coordination with MBCC and COMB which required LMB Member Meetings to be coordinated with MBCC and COMB, and renumbered the remaining sections of Article IX. The new Section 9.13 (old Section 9.14) is amended to clarify the Proxy Voting process. These amendments were adopted by the Board of Directors during its meeting of November 21, 2002.	§2, §3, §5, §6, §7, §9, §11

5	May 8, 2006	<p>Section 2.01 quoted acronyms and changed acronym for the City of Manhattan Beach. Section 6.01 changed number of Board Directors from 5 to 6, changed "Sponsorship" to "Development" (also in Sections 11.01 and 11.02) and split "Communications" into "Marketing" and "Technology". Section 6.05 added requirement of 1 year prior service on Board for President position. Section 6.06 revised timeline for Vice President to run for President. Section 6.11 added responsibility for updates to alumni roster to Membership Director. Section 6.12 changed "Sponsorship" Director to "Development" and added responsibility for community presentations. Section 6.13 and 6.14 changed "Communications" Director to "Marketing" and "Technology" Directors and redefined both positions. Renumbered remaining sections. Article VII Sections 7.01, 7.02, 7.03, 7.04, 7.05, 7.06 and 7.07 revised and clarified Nominations, Elections and Tenure processes and terms. Section 9.02 put space between two words. Table of Contents renumbered. These amendments were adopted by the Board of Directors during its meeting of May 8, 2006.</p>	§2, §6, §7, §9 §11,
6	March 5, 2009	<p>Section 2.01 (e) deleted "and who have paid their annual dues." and added "also known as "alumni."" Section 3.04 (c) deleted "dues from its members." and added "donations from its alumni." Section 5.01 deleted 1 year requirement and payment of annual dues for membership qualifications. Added "Voluntary alumni donations may be requested for financial support of LMB." Section 5.02 changed "members in good standing with LMB" to "LMB members". Section 5.03 removed ", fail to pay dues". Section 6.03 deleted "in good standing" to members' requirement. Section 6.11 changed "Membership" to "Alumni" regarding Director 3 times. Also changed "alumni" to "members" regarding LMB 2 times. Added ", including utilizing alumni networking sites for communications (with assistance of Technology Director). Section 6.12 changed "Development" to "Sponsorship" regarding Director 2 times. Added "for LMB, annual fundraising". Section 6.13 added "Marketing Director contributes marketing content to Leadershipmb.org (with assistance of Technology Director.) Section 7.01 removed "in good standing" regarding status of members. Section 7.07 removed "in good standing" regarding status of members. Added "membership" to LMB and removed "voting." (repetitive). Sections 11.01 and 11.02 changed "Development" to "Sponsorship". These amendments were adopted by the Board of Directors during its meeting of March 5, 2009.</p>	§2, §3, §5, §6, §7, §11
7	August, 2009	<p>Section 4.20 has been corrected to 4.02. Section 4.03 reference to section 9.08 has been changed to Article IX as it covers more than just section 9.08. Section 4.04 added "collaborate with MBCC and Major Sponsors..." which explains how the organization plan to collaborate</p>	iv, 2, 4, 7 §4; §6, §9

		<p>with CMB, MBCC and the community to develop goals and strategic direction and why they have voting board seats. Section 6.13 reference to MBCOC has been changed to MBCC. Section 9.10 as all alumni are now members (or voting members) is it realistic to assume that 20% will turn up for a meeting?</p> <p>Section 9.11 with the move to electronic voting. The wording has been changed from "present and in person"? "Voting members" has been changed in various places to "members".</p>	
8	March, 2011	<p>Section 7.04 changed "during the Annual LMB Members Meeting." to "At least thirty days before the Annual LMB Members Meeting the Nominating Committee shall cause the ballot to be sent via email to all LMB members." Replaced "written ballot submitted at the Members Meeting/Annual Election or by signed written proxy, if unable to attend. Written proxy shall be sent with the notice of the Annual Members Meeting and shall be returned to the President." with "email. The results shall be counted five days before the Annual LMB Members meeting by the Nominating Committee."</p>	§7
9	January 2017	<p>Section 9.09(a) added to clarify the need for the Annual LMB Members Meeting to be available to all members without a fee, even when planned in conjunction with another LMB event for a fee.</p>	§9
10	February 2017	<p>To better clarify the responsibilities and expectations of the board members, Sections 6.04– 6.10 and Sections 6.12 – 6.15 have been revised. Sections 6.11, 6.16, 6.17, 6.18 have also been added. (Sections 6.19 and 6.20 have been renumbered, but remain the same.)</p>	§6
11	Nov. 14, 2019	<p>Restatement of bylaws to provide more transparency and accountability of the board, including the addition of a Governance Committee comprised of Past-Presidents; streamlining the voting process by creating an Alumni Registry for voting purposes and election only of the Officers of the corporation, as well as a more effective "working" board with non-elected, voting, directors nominated by the President and approved by the Board; resolution of disputes in a private and expedition manner in order to preserve the integrity and reputation of LMB by addition of dispute resolution procedures.</p>	

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**Leadership
Manhattan
Beach Bylaws**

Article I. Name

Section 1.01 **Name and Relationship.** This organization shall be called Leadership Manhattan Beach. Leadership Manhattan Beach was originally chartered in 1991 by the Manhattan Beach Chamber of Commerce, Manhattan Beach, California, and remains affiliated with the Manhattan Beach Chamber of Commerce.

Article II. Definitions

Section 2.01 **Definitions.** Terms and acronyms used within the context of these Bylaws shall have the following meanings:

- (a) "LMB" or the "Corporation" shall refer to the Leadership Manhattan Beach corporation.
- (b) "MBCC" shall refer to the Manhattan Beach Chamber of Commerce.
- (c) "Class Project" shall refer to the annual project selected by the Leadership Class participants.
- (d) "CMB" shall refer to the City of Manhattan Beach.
- (e) "Community" shall refer to the City of Manhattan Beach and the greater South Bay area.
- (f) "GC" shall refer to the Governance Committee.
- (g) "Present and in person" shall mean that an individual is physically present in the mode in which the meeting or other event is being conducted (i.e., face-to-face meeting, teleconference, etc.)
- (h) "Program" shall refer to the LMB leadership-based education and training program wherein members of the Community are selected to participate and to engage in an annual project to benefit the City of Manhattan Beach and the greater South Bay area.
- (i) "Voting Alumni" shall mean those person who are graduates of the LMB program and who have maintained their active status in the LMB Alumni Registry for purposes of establishing a quorum for voting purposes.
- (j) "Alumni" shall mean those persons who are graduates of the LMB program.
- (k) A "Major Sponsor" is a sponsor that has supported LMB with significant financial and in-kind contributions as may be determined by the Board on a case-by-case basis.

Article III. Authority

Section 3.01 **Authority.** The authority of the Leadership Manhattan Beach organization is granted by the State of California, USA, as a California nonprofit public benefit corporation.

Section 3.02 **Federal Tax Status.** The Internal Revenue Service issued a determination letter in November 1995 granting LMB exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code ("IRC"). Per the

October 5, 1999 letter received from the IRS District Director, LMB is a currently a “public charity” as defined in IRC section 509. Therefore, Donors may deduct contributions to LMB as provided in IRC section 170.

Section 3.03 **RESERVED.**

Section 3.04 **Scope.** Within the scope of its incorporation and these Bylaws, LMB has the authority to:

- (a) Establish, in addition to these Bylaws, policies, rules, and procedures for the management of LMB.
- (b) Administer the LMB Program for which tuition may be charged.
- (c) Solicit information and donations from Alumni and the Community.
- (d) Solicit and obtain sponsors for financial support of LMB.

Article IV. Objectives

Section 4.01 **Purpose.** The purpose of LMB is to develop and unite existing and aspiring community leaders in the Manhattan Beach community.

Section 4.02 **Leadership Program Objectives.** LMB shall conduct a leadership-focused program for all people of the Community that provides:

- (a) **Community Education:** educating participants about the characteristics, culture, systems, opportunities, needs and issues related to CMB and the Community.
- (b) **Leadership Competency and Skill Enhancement:** developing participants’ leadership competency and skills in facilitation, group dynamics, consensus building, project management, etc.
- (c) **Community Servant Leadership Development:** fostering an appreciation of the importance of honesty, integrity and the moral dimension of community leadership, and encouraging each individual to participate in voluntary community service.

Section 4.03 **Program Objectives for Graduates.** LMB may establish and administer LMB Alumni programs to provide awareness of opportunities for community service, continuing education, and social/networking functions. Meetings of the Alumni shall be conducted in accordance with section 9.08 below.

Section 4.04 **Strategic Objectives.** The LMB Board shall develop goals and strategic directions for LMB through collaboration with the CMB, MBCC and Alumni.

Section 4.05 **Non-discrimination Policy .** LMB does not discriminate against applicants, students, staff, or Alumni on the basis of race, color, gender, religion, and national or ethnic origin.

Article V. Alumni

Section 5.01 **No Members.**

- (a) Per section V.B. of the Corporation's Articles of Incorporation, the Corporation will have no Members.
- (b) Any action that would otherwise require approval by a majority of all members or approval by the members requires only approval of the LMB Board. Except as otherwise provided in these Bylaws, all rights that would otherwise vest under the Nonprofit Public Benefit Law in the members will vest in the Directors.
- (c) Notwithstanding, Alumni shall have all the rights and privileges granted them in these Bylaws, including the collective right to elect and remove Executive Directors and members of the GC as set forth below.

Section 5.02 **Alumni Status Qualifications.** Graduates of the Program shall be deemed to have Alumni status effective following graduation. Voluntary Alumni donations may be requested for financial support of LMB.

Section 5.03 **Voting Alumni.** All Alumni, except those whose rights have been terminated as set forth hereinbelow, shall be eligible to vote on those matters designated for a vote of the Alumni at LMB Alumni Meetings and Special Alumni Meetings, as set forth in Article IX below; provided however, that only those Alumni listed in the LMB Alumni Registry as of the record date for voting shall be entitled to vote, ("Voting Alumni"). The LMB Alumni Registry shall be set up and maintained by the Corporation, through its Alumni Director, in order to establish the number of Voting Alumni sufficient to establish a quorum under these bylaws. The record date for purposes of establishing the Alumni entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action may be set by the LMB Board for a date that shall be **not** more than 90 nor less than 10 days before the date of the meeting.

Section 5.04 **Termination of Alumni Status.** Alumni who resign or are removed by the LMB Board shall no longer have any of the voting rights granted to Alumni under these Bylaws. The LMB Board shall determine whether or not to terminate the rights of an Alumnus, as well as the grounds therefore, in its sole discretion. Any disputes relating to the termination of Alumni Status shall be resolved according to the Dispute Resolution provisions set forth in section XVI.

Article VI. LMB Board

Section 6.01 **Board Composition.** LMB shall be governed by a Board of Directors (hereinafter referred to as "LMB Board"), which shall be comprised of four elected Officers (President, Vice President, Secretary, and Treasurer) and the Chair of the Governance Committee, ("the Executive Committee"); as well as Non-Elected Directors as set forth in section 6.02 herein, (each a "Director"). The Board shall have a minimum of nine (9) and a maximum of thirteen (13) voting Directors.

Section 6.02 **Non-elected Directors.** In addition to the Executive Committee, the Board may include eight (8) non-elected, voting Directors (Recruiting Director, Program Director, Alumni Director, Sponsorship Director, Events Director, Technology Director, Marketing Director and Teen Liaison Director), which shall have responsibilities as determined by the Board in accordance with the LMB

Board policies and procedures. The Board may have Honorary, non-elected, non-voting Directors including, but not limited to, MBCC's Executive Director or designated representative, a representative of CMB, and a designated representative of any Major Sponsor, as that term may be determined by the Board on a case-by-case basis, ("Honorary Director"). The Past President is recognized as a non-elected, non-voting Director for one year following his/her replacement by a new President, and shall serve as a member of the Governance Committee as set forth in section 6.13.

Section 6.03 **General.** All Directors must be Alumni. The Executive Committee is elected by the Alumni, and the non-elected, voting, Directors are appointed by the Executive Committee, as set forth in Article VII.

Section 6.04 **LMB Board Responsibilities.** The LMB Board shall be responsible for the management of the affairs of LMB, including the following:

- (a) Coordinating and facilitating an annual LMB program.
- (b) Coordinating and administering LMB graduate events.
- (c) Providing a report to Alumni at the Annual Alumni Meeting.
- (d) Developing annual strategic objectives.

LMB uses a "working board" format meaning that although each Director has a specific area of responsibility/oversight, all Directors will be required to perform the general work of the LMB Board as directed by the President and/or the Board in general.

Section 6.05 **President.** The President must have previously served on the LMB Board for at least one term. The President shall preside at all meetings of the LMB Board. The President will be the chief executive officer of the Corporation and will, subject to the control of the LMB Board, have supervision, direction, and control of the business and affairs of the Corporation. The President will perform all duties incident to the office of President and any other duties as may be required by law, by the Articles of Incorporation, by these Bylaws, or that may be prescribed from time to time by the LMB Board or the policies and procedures it establishes.

Section 6.06 **Vice President.** The Vice President shall have previously served on the LMB Board for at least one term. The Vice President shall perform those duties defined in the LMB policies and procedures established by the LMB Board. The Vice President shall perform the duties of the President when the President is temporarily unavailable and requests the Vice President to serve in that official position. The Vice President is intended to serve as a candidate for the office of President.

Section 6.07 **Secretary.** The Secretary shall be responsible for (a) recording the minutes of the meetings of the LMB Board, (b) keeping or causing to be kept a book of minutes of all meetings of the LMB Board, and (c) maintaining official records of LMB in accordance with LMB policies and procedures established by the LMB Board. The Secretary will perform any other and further duties as may required by law or as may be prescribed or required from time to time by the LMB Board.

Section 6.08 **Treasurer.** The Treasurer will keep and maintain, in written form or any other form capable of being converted into written form, adequate and correct

books and records of account of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses, in accordance with LMB policies and procedures established by the LMB Board. The books and records of account will at all times be open to inspection by any Director. The Treasurer will deposit all moneys and other valuables in the name of and to the credit of the Corporation with depositaries as may be designated by the LMB Board. The Treasurer will disburse the funds of the Corporation as ordered by the LMB Board, and will render to the President and the Directors, on request, an account of all that officer's transactions as Treasurer, and of the financial condition of the Corporation. The Treasurer will perform any other and further duties as may be required by law or as may be prescribed or required from time to time by the LMB Board or these Bylaws.

Section 6.09 Past President. The Past President shall provide input and historical perspective to assist the Board during deliberations. The Past President shall also serve as a member of the Governance Committee.

Section 6.10 Committees. The LMB Board may establish standing and ad-hoc committees to advise and conduct the responsibilities of LMB. Alumni who serve on committees are not elected, but are approved by the Directors to whom the committee reports. For example, the Program Committee will report to the Program Director and the Alumni who volunteer for that committee are approved by the Program Director.

Section 6.11 Vacancies. Vacancies in the office of President shall be filled by a special election conducted by vote of the Alumni. Vacancies in the offices of Vice President, Secretary, Treasurer, or any Director other than a non-elected Director shall be filled by nomination by the President and the approval of the LMB Board, in accordance with LMB policies and procedures. A Vacancy in the office of Chair of the Governance Committee shall be filled by a vote of the Governance Committee.

Section 6.12 Term Limits. Directors will serve their terms from 1 July to 30 June. All Directors terms of office are one year. If any Director wants to run for his or her position the following year, he or she will have to re-run for that position. A person is limited to serving as President for a maximum of two (2) consecutive years. A person may not serve as President again for two (2) years, after which time the person may serve again.

Section 6.13 Governance Committee. The Governance Committee ("GC") shall be comprised of a Chair, the Past-President, and not more than three (3) other members who have served as Past-Presidents of LMB. The Chair of the GC shall be selected by the members of the GC and becomes a voting member of the Executive Committee, the remaining members of the GC shall be a non-voting group of past-presidents of LMB with responsibility to oversee the integrity of the organization to ensure that the LMB Board is faithfully carrying out the purposes of the Corporation. The group is not responsible for the day-to-day operations of the organization, but has responsibility to ensure the LMB Board and its Committees are acting in the best interests of LMB. Revisions and updates of the bylaws of LMB shall be submitted to the GC for review and comment. The Chair of the Governance Committee shall serve a term of one year. Members of the GC shall rotate every two years.

**Article VII. Nominations, Elections and
Tenure Appointment of Election Committee:**

Section 7.01 **Election Committee.** The Election Committee shall be responsible for confirmation of candidates for the Executive Committee (per section 7.02) after a call for nominations has been made to the Alumni, and for informing candidates of the expectations and requirements for serving as a director of LMB. The Election Committee shall also be responsible for overseeing administration of the election processes, reporting on the results to the existing LMB Board for implementation and transition. Members of the Election Committee shall be Alumni. The Election Committee shall consist of no more than five (5) Alumni and shall be nominated by the President with LMB Board approval.

Section 7.02 **Call for Nominations.** Prior to the Annual Alumni Meeting each year, the LMB Board and the Election Committee shall solicit nominations for the elected positions of the Executive Committee from the Alumni in accordance with policies and procedures established by the LMB Board. Nominations shall be accepted for a period to be published to the Alumni by the LMB Board.

Section 7.03 **Restrictions.** No member of the Election Committee shall be included in the slate of nominees for election as a member of the Executive Committee.

Section 7.04 **Election Timelines; Annual Alumni Meeting.** In order to allow for an efficient board transition, the Election Committee will exercise its best efforts to conduct elections for the Executive Committee positions by March 31 of each calendar year; and thereafter, the Executive Committee will appoint non-elected, voting, Directors by April 30 of each calendar year. It is intended that the newly-seated Board will attend and “shadow” the then-existing Board at the May meeting of the Board, and that the then-existing Board will attend and “shadow” the newly-elected Board at the June meeting of the Board, (while the then-existing Board continues to exercise its voting rights). An Annual Alumni Meeting will be held in June of each calendar year for the purpose of presenting the newly-seated Board, and to conduct any other appropriate LMB business.

Section 7.05 **Voting.** The Election Committee shall publish to the Voting Alumni a slate of candidates for the Executive Committee along with a solicitation for interest to serve as a non-elected, voting, Director. The Election Committee shall cause the ballot to be sent via email to all Voting Alumni. The Voting Alumni shall vote by email. The Election Committee shall conduct elections for the Executive Committee. Candidates for the Executive Committee shall be elected by a simple majority of Voting Alumni, so long as the number of Voting Alumni constitutes a quorum of Voting Alumni as set forth in the Alumni Registry as of the Record Date designated by the LMB Board, (e.g., not less than 1/5 of Voting Alumni).

Section 7.06 **Appointment of Directors.** Upon the election of the Executive Committee by the Voting Alumni, the Executive Committee shall gather and vet from the Alumni candidates listed on the slate of candidates set for this section 7.05 to fill the non-elected, voting, Director positions, which shall be filled by nomination of the President with the approval of the LMB Board, in accordance with LMB policies and procedures.

Section 7.07 **Removal.** An Executive Committee Director and Chair of the Governance Committee may be removed from office for cause as provided in Corporations Code section 5223 by a simple majority vote of the Alumni at a Special Alumni Meeting called for the purpose of removal. Ten (10) Alumni, two (2) members of the LMB Board, or the Chair of the GC may petition the LMB Board to recall a Director. A valid recall petition shall be affirmed by a simple majority vote of the Voting Alumni, so long as the number of Alumni voting constitutes a quorum of Alumni listed in the Alumni Registry as of the Record Date designated by the LMB Board, (e.g., not less than 1/5 of Alumni). Any other Director may be removed from office for cause by a simple majority vote of the LMB Board.

Section 7.08 **Resignation.** A Director may resign by submitting written notice to the LMB Board. Unless another time is specified in the notice or determined by the LMB Board, a Director's resignation shall be effective upon receipt of notice by the LMB Board.

Article VIII. Limitations

Section 8.01 **Restrictions.** No Director or officially designated representative of the LMB Board shall receive any compensation or other tangible or financial benefit for service on or for the LMB Board unless otherwise employed by the Corporation subject to a written employment agreement. However, the LMB Board shall authorize payment by LMB of actual, reasonable expenses incurred by Directors or officially designated representatives of LMB, in accordance with the LMB policies and procedures established by the LMB Board. All Directors and officially designated representatives shall act in a manner consistent with their obligations to the Corporation and applicable law, regardless of any other affiliations, memberships or positions. Any LMB Board member who is reasonably aware that they may have a conflict of interest shall disclose the conflict to the LMB Board.

Section 8.02 **Facilitator.** LMB recognizes the need to contract on occasion with professional facilitators to conduct portions of the LMB program classes. This contract shall be the responsibility of the President and approved by the LMB Board.

Section 8.03. **Limitations.** As provided in section 5260 of the Corporations Code, during any period or periods the Corporation is deemed to be a "private foundation" as defined in IRC section 509, (a) it shall distribute its income for each taxable year (and principal, if necessary) at such time and in such manner as not to subject the Corporation to tax under IRC section 4942, (b) it shall not engage in any act of self-dealing as defined in IRC section 4941(d), (c) it shall not retain any excess business holdings as defined in IRC section 4943(c), (d) it shall not make any investments in such manner as to subject it to tax under IRC section 4944, and (e) it shall not make any taxable expenditure as defined in IRC section 4945(d).

Article IX.

Meetings LMB Board Meetings:

Section 9.01 **Purpose.** Regularly scheduled business meetings shall be scheduled by

the LMB Board to conduct LMB business and other activities as described in the LMB charter.

Section 9.02 **Conduct of Business.** The LMB Board will set the date and location of the meetings. Directors may not vote by proxy, except to allow a member of his or her committee to vote on his or her behalf. The LMB Board may also conduct business by teleconference, video conference, or via electronic mail.

- (a) **Special Meetings.** Special meetings of the LMB Board may be called by the President, any two (2) Directors or the Chair of the GC. Special meetings may be held on 48 hours' notice delivered by electronic mail or facsimile with proof of delivery. Notice of the special meeting need not be given to any Director who signs a waiver of notice or written consent to holding of the meeting, or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to that Director either before or at the commencement of the meeting. All waivers, consents, and approvals must be filed with the corporate records or made a part of the minutes of the meetings.

Section 9.03 **Quorum.** A quorum of the LMB Board for the transaction of all official LMB business is a majority of the number of Directors then in office, consisting of the Executive Committee and the non-elected, voting, Directors.

Section 9.04 **Transactions of the LMB Board.** Except as otherwise provided in the Articles, in these Bylaws, or by law, every act or decision done or made by a majority of the voting Directors present at a meeting duly held at which a quorum is present is the act of the LMB Board provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by the law, the Articles, or these Bylaws.

(a) Should an item up for a vote of the Directors end in requiring a tiebreaker, the item will be moved to the next regular meeting of the Board. In the event the item requires action before the next regular meeting of the Board, a special meeting of the Board will be called for the purpose of taking a vote on the item. If the item requires immediate action (less than 48 hours), the vote of the Chair of the GC shall be the tie-breaker vote.

Section 9.05 **Meeting Minutes.** The LMB Board will produce and maintain meeting minutes, which document meeting proceedings, action items, attendance, and meeting schedule information.

Section 9.06 **Notice.** All Directors must receive appropriate notice of a scheduled LMB Board meeting, which shall be no less than forty-eight (48) hours.

Section 9.07 **Executive Session.** Directors may schedule or make a motion to conduct LMB Board business in executive or closed session where no minutes will be taken.

Section 9.08 **Conduct of Meetings.** The President or, in the President's absence, any Director selected by the Directors then present will preside at meetings of the LMB Board.

The Secretary or, in the Secretary's absence, any person appointed by the presiding officer, will act as Secretary.

Section 9.09 Adjournment. A majority of the Directors present at the meeting, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of the adjournment to another time or place must be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 9.10 Action Without a Meeting. Any action required or permitted to be taken by the LMB Board may be taken without a meeting, if all Directors individually or collectively consent in writing to that action. Written consents must be filed with the minutes of the proceedings of the LMB Board. Action by written consent has the same force and effect as the unanimous vote of the Directors.

Section 9.11 Alternate Forms of Attending Meetings. Any LMB Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in the meeting under this section shall constitute presence in person at the meeting if all of the following apply:

- (a) Each Director participating in the meeting can communicate concurrently with all other Directors;
- (b) Each Director is provided the means of participating in all matters before the LMB Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and
- (c) The LMB Board has adopted and implemented a means of verifying both of the following:
 - (i) A person communicating by telephone, video screen, or other communication equipment is a Director entitled to participate in the LMB Board meeting and
 - (ii) All statements, questions, actions, or votes are made by that Director and not by another person not permitted to participate as a Director.

Section 9.12 E-Mail Ballots. Upon any matter that could properly come before the LMB Board at a valid meeting, the LMB Board may act without a meeting, provided the action satisfies the following requirements.

- (a) An electronic mail (an "email") shall be sent to all Directors by a Director at the Directors' email addresses on record with Secretary, containing the proposed resolution upon which the Directors are to vote (the "resolution"). More than one resolution may be contained in an email. The sender must obtain a delivery receipt for the email to each Director, which proof must be provided to the Secretary, who will maintain it in the Corporation's official records, and a printed copy of which will accompany the resolution(s) in the LMB Board minutes.
- (b) Although this procedure for action without a meeting is primarily intended for emergency or routine actions, there is no restriction on what actions the LMB Board may take using this procedure.
- (c) The email shall contain the resolution(s) upon which the Directors are to vote, clearly indicating for each resolution the choice to be voted upon, and

the Directors may vote by sending an email voting “approve” or “disapprove” for each resolution to the Secretary. Directors may also vote on any email ballots received by delivery in person of their vote to the Secretary.

- (d) A Director may revoke the Director’s vote if the Secretary receives that Director’s revocation before receiving the votes required to determine the proposed resolution, which revocation will be effective upon receipt. The Secretary shall notify that Director whether or not the revocation is effective. After an effective revocation by a Director, that Director may still vote on the resolution at-issue under this procedure.
- (e) There shall be a timeframe within which Directors must vote on a resolution contained in an email, which shall not be less than 48 hours. Failure to obtain the required votes to approve or disapprove a resolution means the resolution is not yet passed.
- (f) A resolution proposed in an email will be adopted and valid only when the Secretary receives that number of replies casting votes from the Directors equal to or exceeding the quorum required to be present at an LMB Board meeting, and the number of approvals or disapprovals equals or exceeds the number of votes needed to approve or disapprove the resolution at an LMB Board meeting.
- (g) When a sufficient number of votes have been validly cast to approve or disapprove a resolution proposed by email, the Secretary shall send an email to all Directors confirming the result.
- (h) The emails evidencing the LMB Board action must create a record capable of retention, retrieval and review. The Secretary shall retain a permanent electronic record of the (i) email proposing the resolution, (ii) proof that the email was received by each Director, (iii) the email replies from the Directors casting their votes with their electronic signatures and (iv) the email notifying the Directors of the result. These items shall also be printed out and added to the Corporation’s minute book to evidence the adoption or disapproval of the resolution.
- (i) If a Director wishes to abstain from voting, the Director must reply to the Secretary by email that the Director is abstaining from the vote on that resolution, which abstention will be included in the electronic record on that vote, and a copy of which will be added to the minute book with the other items referenced above.
- (j) No proxies are allowed in any email vote.

Alumni Meetings:

Section 9.13 **Purpose.** The LMB Board shall conduct an Annual Alumni Meeting open to all Alumni in July of each year. The purpose of the Annual Alumni Meeting is to advance the objectives of LMB, introduce the newly-seated Directors, and conduct other business as necessary. The LMB Board can conduct other Alumni meetings as needed.

Section 9.14 **Location.** The LMB Board shall select the location of the Annual Alumni Meeting and announce the time, date, and location in a notice

communicated to all Alumni. Notice and a meeting agenda shall be provided to all Alumni and Directors at least thirty (30) days in advance of the meeting.

- (a) **Accessibility** . The Annual Alumni Meeting is free of charge to all Alumni. Should the Annual Alumni Meeting be held in conjunction with another event requiring a fee, such as the annual Summer Social, Alumni must be permitted to attend the meeting portion of the event at no charge. After the Annual Alumni Meeting portion of the event has concluded, Alumni may be required pay the associated fees if they wish to remain for the social portion of the event.

Section 9.15 **Quorum** . A quorum for the transaction of official business at meetings of the Alumni shall be one-fifth of the Voting Alumni. Only those Alumni present and in person shall count in determining a valid quorum.

Section 9.16 **Majority**. After a quorum has been established, approval of a motion shall be by a simple majority, consisting of more than 50% of the Voting Alumni present and in person at the meeting.

Section 9.17 **Business Meeting**. The LMB Board will establish policies and procedures for the conduct of Alumni meetings.

Section 9.18 **Proxy Voting**. Alumni may vote by granting a proxy to another Alumnus who attends an Alumni meeting. The voting process shall be established in the LMB policies and procedures established by the LMB Board, which may include voting by electronic mail.

Special Alumni Meetings:

Section 9.19 **Petition for Meeting**. Ten (10) Alumni, two (2) members of the LMB Board, or the Chair of the GC may petition the LMB Board to call a special Alumni meeting, in which case the President or a majority of the LMB Board shall call the special meeting.

Section 9.20 **Communication to Alumni**. Notification of a special Alumni meeting, written or electronic, including purpose, time, place, agenda, and names of principal participants, will be forwarded to the Secretary for distribution and recording purposes prior to the meeting date. Notification must be received by the Alumni at least thirty (30) days prior to the date of the meeting.

Section 9.21 **Meeting Materials**. Any written material to be used or distributed in connection with the meeting and/or carrying the LMB name is to be submitted to the President prior to its distribution and/or use.

Article X. Finance

Section 10.01 **Fiscal Year**. The fiscal year of LMB shall be from 1 July to 30 June.

Section 10.02 **Budget**. The Treasurer will prepare an annual budget proposal for approval by the LMB Board. The Treasurer will make the approved budget available to the Alumni upon request.

Article XI. Resources

Section 11.01 **MBCC and CMB Support.** The LMB Board shall coordinate with MBCC and CMB to establish and provide operational support for LMB as negotiated on an annual basis.

Section 11.02 **Sponsors.** The Sponsorship Director shall solicit sponsorships from local businesses and other supporters of LMB. Sponsors may provide direct funds or “in-kind” funds in the form of services or materials.

Section 11.03 **Grants.** The Sponsorship Director may solicit grants to provide additional operational funds for LMB.

Article XII. Amendments

Section 12.01 **Voting.** Amendments to these Bylaws may be proposed by the LMB Board on its own initiative or upon petition by ten (10) percent of the Voting Alumni, addressed to the LMB Board. Amendments are accepted when approved by at least two-thirds of the LMB Board, following review and comment by the Governance Committee.

Article XIII. Dissolution

Section 13.01 **Vote to Dissolve.** The LMB Board, following consultation with the Governance Committee, may submit a petition for dissolution to the Voting Alumni who may vote to dissolve the Corporation in accordance with the procedures for voting at LMB business meetings.

Section 13.02 **Disposition of Assets.** Should LMB be dissolved for any reason, its assets shall, after payment of all just debts, be turned over, without restrictions, to MBCC.

Article XIV. Corporate Records, Reports and Seal

Section 14.01 **Keeping Records.** The Corporation must keep adequate and correct records of account and minutes of the proceedings of the LMB Board and all committees. The minutes and other books and records will be kept in either written form or in any other form capable of being converted into written form.

Section 14.02 **Annual Report.** The LMB Board will cause an annual report to be sent to each Director after the close of the Corporation's fiscal year. The report must contain all the information required by Corporations Code section 6321(a) and be accompanied by a report of independent accountants, where applicable. If there is no report of independent accountants, it shall be accompanied by the certificate of an authorized officer of the Corporation that the statements were prepared without audit from the books and records of the Corporation.

Section 14.03 **Annual Statement of Certain Transactions and Indemnifications.** The Corporation must furnish annually to the Directors a statement of any transaction or indemnification described in Corporations Code section 6322(d) and (e), if that transaction or indemnification took place. The annual statement may be affixed to and sent with the annual report described in

section 14.02 above.

Section 14.04 **Audit.** When required by the Supervision of Trustees and Fundraisers for Charitable Purposes Act:

- (a) The Corporation shall prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant in conformity with generally accepted auditing standards.
- (b) Subject to the supervision of the LMB Board, the audit committee shall be responsible for recommending to the LMB Board the retention and termination of the independent auditor and may negotiate the independent auditor's compensation, on behalf of the LMB Board. The audit committee shall confer with the auditor to satisfy its member(s) that the financial affairs of the Corporation are in order, shall review and determine whether to accept the audit, shall assure that any nonaudit services performed by the auditing firm conform with standards for auditor independence and shall approve performance of nonaudit services by the auditing firm.
- (c) The audited financial statements shall be available for inspection by the Attorney General and by members of the public no later than nine (9) months after the close of the fiscal year to which the statements relate. The Corporation shall make its annual audited financial statements available to the public in the same manner that is prescribed for IRS Form 990 by the latest revision of IRC section 6104(d) and associated regulations.
- (d) When required by the Supervision of Trustees and Fundraisers for Charitable Purposes Act, the LMB Board shall appoint and maintain an audit committee, which may include persons who are not Directors, but the member or members of the audit committee shall not include any members of the staff, the President or the Treasurer.

Section 14.05 **Corporate Seal.** The LMB Board will adopt a corporate seal. The Secretary will maintain custody of the seal and affix it in all appropriate cases to all corporate documents. However, the failure to affix the seal does not affect the validity of any instrument.

Section 14.06 **Certification and Inspection.** The original or a copy of the Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be recorded and kept in written or electronic form, and shall be open to inspection by the Directors at all reasonable times.

Article XV. Indemnifications

Section 15.01 **Definitions.** For the purposes of this Article, "agent" means any person who is or was a Director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of that predecessor corporation; "proceeding" means any threatened, pending, or

completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 15.04 or 15.05(a) of this Article.

Section 15.02 Indemnification in Actions by Third Parties. The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if the person acted in good faith and in a manner the person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 15.03 Indemnification in Actions by or in the Right of the Corporation. The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Corporation, or brought under section 5233 of the California Nonprofit Public Benefit Corporation Law or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that that person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if the person acted in good faith, in a manner the person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this section 15.03:

- (a) In respect of any claim, issue, or matter as to which the person shall have been adjudged to be liable to the Corporation in the performance of the person's duty to the Corporation, unless and only to the extent that the court in which the proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court shall determine;
- (b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- (c) Of expenses incurred in defending a threatened or pending action that is settled or otherwise disposed of without court approval, unless the action concerns assets held in charitable trust and is settled with the approval of

the Attorney General.

Section 15.04 **Indemnification Against Expenses.** To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in section 15.02 or 15.03 above or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with that defense.

Section 15.05 **Required Determinations.** Except as provided in section 15.04 above, any indemnification under this Article shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in section 15.02 or 15.03 above, by:

- (a) A majority vote of a quorum consisting of Directors who are not parties to the proceeding; or
- (b) The court in which the proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by the Corporation.

Section 15.06 **Advance of Expenses.** Expenses incurred in defending any proceeding may be advanced by the Corporation before the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the agent to repay the amount advanced unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 15.07 **Other Indemnification.** No provision made by the Corporation to indemnify its or its subsidiary's Directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of Directors, an agreement, or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than those Directors and officers may be entitled by contract or otherwise.

Section 15.08 **Forms of Indemnification Not Permitted.** No indemnification or advance shall be made under this Article, except as provided in section 15.04 or 15.05(b), in any circumstances in which it appears:

- (a) That it would be inconsistent with a provision of the Articles, these Bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 15.09 **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 that 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 that liability under the provisions of this Article, provided that the Corporation shall have no power to purchase and maintain insurance to indemnify any agent for a violation of Corporations Code section 5233 (self-dealing).

Section 15.10 **Nonapplicability to Fiduciaries of Employee Benefit Plans.** This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the Corporation as defined in section 15.01. The Corporation shall have power to indemnify that trustee, investment manager, or other fiduciary to the extent permitted by section 207(f) of the California Corporations Code.

Article XVI. Dispute Resolution

Section 16.01 **Purpose.** It is the intent of this section to ensure that any disputes regarding the business or operations of LMB, or disputes by and between any individual(s), any Alumni, and/or any Director, be resolved in a private and expeditious manner in order to preserve the integrity and reputation of LMB.

Section 16.02 **Board; GC Resolution.** Any disputes relating to LMB shall first be submitted to the Board for resolution. In the event the Board is not able to resolve the dispute, the Chair of the GC shall convene a meeting of the GC for the purpose of gathering information and reaching a resolution of the dispute.

Section 16.03 **Mediation.** In the event the dispute is not resolved following consideration by the Board and the GC as set forth in section 16.02 then any disputes shall be settled first by mediation and, if necessary, by arbitration in accordance with the rules of the American Arbitration Association. If any party commences an action without first attempting to resolve the matter through mediation or refuses to mediate after a request has been made, then that individual(s) shall not be entitled to recover attorneys' fees in any subsequent action, even if they would otherwise be available to that party in any such action. Mediation, and if necessary, arbitration, will commence by sending a written demand to the President and the Board. Such demand shall set forth the nature of the matter to be resolved by mediation and/or arbitration. The mediation and/or arbitration shall be conducted in Los Angeles County, California. The substantive law of the state of California shall be applied by the mediator and/or arbitrator to the resolution of the dispute. Each individual(s) shall bear their own expenses and fees for the mediation and/or arbitration. Fees for mediation and/or arbitration on behalf of LMB shall be paid from LMB accounts upon the vote of a majority of the Board, (not including any affected Director(s)). All decisions of the arbitrator shall be final, binding, and conclusive on all parties.

* * * * *

CERTIFICATION

I, DeAnn Chase, hereby certify:

That I am the duly elected and acting Secretary of Leadership Manhattan Beach, a California Nonprofit Public Benefit Corporation, and that the foregoing Bylaws, consisting of 16 pages, constitute the Bylaws of the Corporation as duly adopted on November 14, 2019 by at least two-thirds of the LMB Board; and that these Bylaws have not been amended or modified since that date.

Executed as of November 14, 2019 at Manhattan Beach, California.


DeAnn Chase, Secretary