

BYLAWS OF

FRIENDS OF THE NIPOMO LIBRARY, INC.

A California Nonprofit Public Benefit Corporation

ARTICLE I

NAME

The name of this corporation is FRIENDS OF THE NIPOMO LIBRARY

ARTICLE II

SECTION 2.01 PRINCIPAL OFFICE

The principal office of the transaction of the activities and affairs of the corporation (“principal office”) is located in San Luis Obispo County, California. The Board of Directors (“the Board”) may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

ARTICLE III

SECTION 3.01 PURPOSES, MISSION, AND LIMITATIONS

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable and public purposes. This corporation is organized exclusively for charitable purposes. This corporation is organized exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue code 1954 (or the corresponding provision of any future United States Internal Revenue Law). The purpose of this corporation is as follows: (1) to enlist and organize the support of the interested people who care about the library to assist the librarian and staff, (2) to raise funds to provide items not included in the library budget, and (3) to encourage the use of the library for reading pleasure, increased knowledge and for cultural enrichment. Notwithstanding any other provision of these Bylaws, this corporation shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law); (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law.)

Sec 3.01

(a) Mission

The mission of this Corporation (FONL) shall be to enlist and organize the support of the community as we strive to increase literacy and encourage lifelong learning and a love of reading. To enhance library resources to allow for an increased community access to information and knowledge, and to provide a vibrant cultural gathering place.

SECTION 3.02 LIMITATIONS

(a) Political Activity

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall neither participate in nor intervene in (including the publishing or distributing of statements in connection with) any political campaign on behalf of any candidate for public office.

(b) Property

The property, assets, profits and net income are dedicated irrevocably to the purposes set forth in Section 3.01 above. No part of the profits and net income are dedicated irrevocably to the purposes set forth in Section 3.01 above. No part of the profits or net earnings of this corporation shall ever inure to the benefit of any of its Directors, trustees, officers, members (if any), employees, or to the benefit of any private individual.

(c) Dissolution

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the payment of the debts, obligations and liabilities of the corporation, the remaining assets of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE IV

MEMBERS

SECTION 4.01 QUALIFICATIONS AND RIGHTS OF MEMBERSHIPS

(a) Classes and Qualifications

This corporation shall have one or more classes of members, consisting of persons dedicated to the purposes of this corporation and on timely payment of such dues and fees as the Board may fix from time to time.

(b) Voting Members

The members of the classes of membership having voting rights shall be entitled to vote, as set forth in these Bylaws, on the election of Directors, on the disposition of all or substantially all of the assets of the corporation, on any merger and its principal terms and any amendment of those terms, on any election to dissolve the corporation, on an amendment to the Articles of Incorporation, except as otherwise specified in the California Nonprofit Corporations Law; and on the adoption, amendment or repeal of these Bylaws, except as otherwise specified in the California Nonprofit Corporations Law. In addition, members shall have all rights afforded member under the California Nonprofit Corporation Law.

(c) Other Persons Associated with the Corporation

The corporation may refer to person of certain nonvoting classes or other persons or entities associated with it as “members,” even though those persons or entities are not voting members as set forth in Section 4.01 of these Bylaws, but no such reference shall designate anyone as a member within the meaning of the California Nonprofit Corporations Code unless that person or entity shall have qualified for a voting membership under Section 4.01(b) of these Bylaws. References in these Bylaws to members shall mean members as defined in the California Nonprofit Corporations Code and as set forth in Section 4.01(b) of these Bylaws. By amendment of these Bylaws, the corporation may grant some or all the rights of a member of any class, as set forth in these Bylaws, to any person or entity that does not have the right to vote on any of the matters specified in Section 4.01(b) of these Bylaws, but no such person or entity shall be a member within the meaning of the California Nonprofit Corporations Code.

SECTION 4.02 DUES AND FEES

Each member must pay, within the time and on the conditions set by the Board, the dues and fees in amounts to be fixed from time to time by the Board. The dues and fees shall be equal for all members of each class, unless the Board, in its discretion, sets different dues and fees for each class.

SECTION 4.03 GOOD STANDING

Those members who have paid the required dues and fees in accordance with these Bylaws and who are not expelled or suspended shall be members in good standing.

SECTION 4.04 TERMINATION AND SUSPENSION OF MEMBERSHIP

(a) Causes of Termination.

A membership shall terminate on occurrence of any of the following events:

- (i) Resignation of the member, on reasonable notice to the corporation;
  
- (ii) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;

(iii) Failure of the member to pay dues and fees as set by the Board within the period of time set by the Board after they become due and payable;

(iv) Occurrence of any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or

(v) Expulsion or suspension of the member pursuant to Sections 4.04(b) and 4.04(c) of these Bylaws.

(b) Suspension of Membership

A member may be suspended, under Section 4.04(c) of these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

A person whose membership is suspended shall not be a member during the period of suspension.

(c) Procedure for Expulsion or Suspension

If grounds appear to exist for expulsion or suspension of a member, the procedure set forth below shall be followed:

(i) The member shall be given fifteen (15) days prior to notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by postal mail shall be sent by first-class or registered mail to the member's last address as shown on the records of the corporation. Any notice given by electronic mail shall be to the member's last email address as shown on the records of the corporation.

(ii) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board or by the committee or person authorized by the Board to determine whether the expulsion or suspension should take place.

(iii) The Board, committee, or person shall decide whether or not the member should be suspended, expelled, or sanctioned in some other way. The decision of the Board, committee, or person shall be final.

(iv) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

SECTION 4.06 MEETINGS OF MEMBERS

(a) Place of Meeting

Meetings of the members shall be held at any place within twenty-five (25) miles of the principal office of the corporation designated by the Board.

(b) Annual Meeting

An annual meeting of members shall be held on the third Thursday of each year at 7:00 o'clock, or such other place and time, unless the Board fixes another date or time and so notifies members as provided in Section 4.06(d) of these Bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this meeting, Directors shall be installed and any other proper business may be transacted, subject to the notice requirements of Section 4.06(d)(iii) of these Bylaws.

(c) Special Meetings

A special meeting of the members may be called for any lawful purpose by a majority vote of the Board or by the President or by five (5) percent or more of the members. A special meeting called by any person(s) (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chairman of the Board, if any, or the President or any Vice President or the secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Section 4.06(d) of these Bylaws, stating that a meeting will be held at a special time and date fixed by the Board, provided, however, that the meeting date shall be least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

(d) Notice Requirements for Members' Meetings

(i) General Notice Requirements

Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, in accordance with Section 4.06(d) of these Bylaws, to each member entitled to vote at the meeting. The notice shall specify the place, date, and hour of the meeting and, (1) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) for the annual meeting. The notice of any meeting at which Directors are to be elected or written ballots distributed for the election of Directors shall include the names of all persons who are nominees when the notice or the ballot is given.

(ii) Notice of Certain Agenda Items

Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (i) Removing a Director without cause;
- (ii) Filling vacancies on the Board;
- (iii) Amending the Articles of Incorporation; or
- (iv) Electing to wind up and dissolve the corporation

(iii) Manner of Giving Notice

Notice of any meeting of members shall be in writing and shall be given at least ten (10) days but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication (including electronic), charges prepaid, and shall be addressed to each member entitled to vote, at the address given by the member to the corporation for purposes of notice. If no address appears on the books of the corporation and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that member by first-class mail or telegraphic or other written communication delivered to the principal office of the corporation or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(iv) Affidavit of Mailing Notice

An affidavit of the mailing of any notice of any member's meeting, or of the giving of such notice by other means, may be executed by the Secretary, assistant secretary, or any transfer agent of the corporation, and if so executed, shall be filed and maintained in the minute book of the corporation.

(e) Quorum.

(i) Number Required

Five (5) percent of the voting members, present in person or proxy shall constitute a quorum for the transaction of business at any meeting of members; provided, however, that the only matters that may be voted on at any special or annual meeting actually attended by less than five (5) percent of the voting power are matters the general nature of which was disclosed in advance to the members by written notice pursuant to Article IV, Section 4.06(d) of these Bylaws.

(ii) Loss of Quorum

The members present at a duly called or held meeting at which a quorum is presented may continue to transact business until adjourned, even if enough members have withdrawn to leave less than a quorum, if any action taken (other

than adjournment) is approved by at least a majority of the members required to constitute a quorum.

(f) Adjournment and Notice of Adjourned Meetings

Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

(g) Voting

(i) Eligibility to Vote

Subject to the provisions of the California Nonprofit Corporation Law, the only persons entitled to vote at any meeting of members shall be voting members who are in good standing as of the record date determined pursuant to Section 4.07 of these Bylaws.

(ii) Manner of Casting Votes

Voting may be by voice or ballot, except that any election of Directors must be by ballot if demanded by any member at the meeting before the voting ballot being. Voting may be conducted electronically provided that anonymity is preserved.

(iii) Voting

Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Cumulative voting shall not be permitted.

(iv) Approval by Majority Vote

If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by classes, is required by the California Nonprofit Corporation Law or by the Articles of Incorporation.

(h) Waiver of Notice or Consent by Absent Members

(i) Written Waiver or Consent

The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a quorum is present either in person or by proxy, and (2) either before or after regular call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the

meeting, each member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 4.06(d)(ii) the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(ii) Waiver by Attendance

A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

SECTION 4.07 ACTION WITHOUT A MEETING

(a) Action by Unanimous Written Consent

Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed in the corporate minute book. Any actions taken by written consent shall have the same force and effect as the unanimous vote of the members.

(b) Action by Written Ballot Without a Meeting

Any action that may be taken at any meeting of members may be taken without a meeting by written or electronic ballot complying with Section 4.07(b)(i) and (ii) of these Bylaws. If an electronic ballot is used and a member's email address is unavailable in the corporate records, that member shall be sent a ballot by postal mail.

(i) Solicitation of Written Ballots

The corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section 4.06(d)(iii) of these Bylaws. All solicitations of voted by written ballot shall (1) indicate the number of responses need to meet the quorum requirement; (2) with respect to the ballots other than for election of Directors, state the percentage of approvals necessary to pass the measure or measures; (3) with respect to ballots for election of Directors, state the name of each nominee; and (4) specify the time by which the ballot distributed shall (1) set forth the proposed action; (2) provide the members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time within which to return the ballot to the corporation, specifying the address to which the ballot is to be sent. If the corporation has one hundred (100) or more members, any written ballot distributed to ten (10) or more



members shall provide, subject to reasonable specified conditions, that if the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of Directors, a written ballot which is marked by a member “withhold” or is otherwise marked in a manner indicating that authority to vote is withheld, shall not be voted.

(ii) Number of Votes and Approvals Required

Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked “withhold” or otherwise indicate that authority to vote is withheld) and received within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

(iii) Revocation

A written ballot may not be revoked.

(iv) Filing

All written ballots shall be filed with the Secretary of the corporation and maintained in the corporate records for at least two (2) years.

SECTION 4.08 RECORD DATE FOR NOTICE, VOTING, WRITTEN BALLOTS, AND OTHER ACTIONS

(a) Record Date Determined by Board

For purposes of determining which members are entitled to receive notice of any meeting, to vote, or to give consent to corporate action without a meeting, the Board of Directors may fix, advance, a “record date,” which shall not be more than sixty (60) nor fewer than ten (10) days before the date of any such meeting, nor more than sixty (60) days before any such action without a meeting. Only members of record on the date so fixed are entitled to notice, to vote, or to give consents, as the case may be, notwithstanding any transfer of any membership on the books of the corporation after the record day, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Corporation Law.

(b) Record Date Not Determined By Board

(i) Record Date for Notice Or Voting

If not otherwise fixed by the Board, the record date for determining members entitled (1) to receive notice of, or to vote at, a meeting of members shall be the next business day preceding the day on which notice is given or, if notice is waived the business day preceding the day on which the meeting is held.

(ii) Record Date for Action By Written Ballot

If not otherwise fixed by the Board, the record date for determining those members entitled to vote by written ballot shall on the day on which the first written ballot is mailed or solicited.

(iii) Record Date for Written Consent to Action Without Meeting

Unless fixed by the Board, the record date for determining those members entitled to vote by the written consent on corporate action without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written consent is given. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

(iv) Record Date for Other Actions

If not otherwise fixed by the Board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be on the date on which the Board adopts the resolution relating to that action, or the sixtieth (60) day before the date of that action, whichever is later.

(c) Definition of "Members of Record"

For purposes of this Section 4.08, a person holding a voting membership at the close of business on the record date shall be a member of record.

SECTION 4.09 PROXIES

(a) Right of Members

Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the corporation. A proxy shall be deemed signed if the member's name is placed in the proxy (whether by manual signature, typewriting, electronic transmission, or otherwise) by the member or the member's attorney-in-fact.

(b) Form of Solicited Proxies

If the corporation has one hundred (100) or more members, any form of proxy distributed to ten (10) or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters, and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of Directors, any form of proxy that a member marks "withhold," or otherwise marks in a manner indicating that authority or vote for the election of Directors is withheld, shall not be voted either for or against the election of a Director.

(c) Requirement That General Nature of Subject of Proxy Be Stated

Any proxy covering matters for which a vote of the members is required, including amendments of the Articles of Incorporation or Bylaws changing voting rights; removal of Directors without cause; filling vacancies on the Board of Directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all of the corporate assets, unless the transaction is in the usual and regular course of the activities of the corporation; the

principal terms of a merger or the amendment of a merger agreement; or the election to dissolve the corporation, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, with respect to an election of Directors, the proxy lists those who have been nominated at the time the notice of the election is given to the members.

(d) Revocability

A validly executed proxy shall continue in full force and effect until:

- (i) revoked by the member executing it, before the vote is cast under the proxy,
  - (A) by a writing delivered to the corporation stating that the proxy is revoked, or
  - (B) by a subsequent proxy executed by that member and presented to the meeting, or
  - (C) as to any meeting, by that member's personal attendance and voting at the meeting; or
- (ii) written notice of death or incapacity of the maker of the proxy is received by the corporation before the vote under that proxy is counted, provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. A proxy may not be irrevocable. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the California Nonprofit Corporations Code.

SECTION 4.10 ELECTION OF DIRECTORS

(a) Meeting for election of Board of Directors

Except as provided in 4.07(b), a meeting of members shall be held on the third Thursday of October of each year at 7:00 o'clock, or such other place and time, unless the Board fixes another date or time and so notifies members as provided in Section 4.06(d) of these Bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this meeting, Directors shall be elected with their terms of office to start in January of the following year and any other proper business may be transacted, subject to the notice requirements of Section 4.06(d)(ii) of these Bylaws.

(b) Nominations of Committee

The Chairman of the Board, or the President if there is no Chairman, shall appoint a committee to select qualified candidates for election to the Board at least ninety (90) days before the date of any election of Directors. This nominating committee shall make its report at least sixty (60) days before the date of the election or at such other time as the Board of Directors may set and Secretary shall forward to each member, with the notice of meeting required by these Bylaws, a list of all candidates nominated by committee under this Section.

(c) Nomination by Members

So long as the corporation has five hundred (500) or more, but fewer than five thousand (5,000) members, members representing two percent (2%) of the voting power may nominate candidates for Directors by a petition, signed by those members within eleven (11) months preceding the next time Directors are to be elected, and delivered to an officer of the corporation. On timely receipt of a petition signed by the required number of members, the Secretary shall cause the names of the candidates named on it to be placed on the ballot along with the names of those candidates named by the nominating committee. Upon reaching the five thousand (5,000) member limitation, nominations by members shall be subject to the provisions of the California Nonprofit Corporations Law.

(d) Nominations From the Floor

If there is a meeting of members to elect Directors, any member present at the meeting in person or by proxy may place names in nomination.

(e) Use of Corporate Funds to Support Nominee

Without Board authorization, no corporate funds may be expended to support a nominee for Director after more people have been nominated for Director that can be elected.

SECTION 4.11 RECORDS

(a) The Secretary shall keep or cause to be kept, at the principal office of the corporation or at a place determined by resolution of the Board, a record of the members of the corporation showing each members of the corporation showing each member's name, address, and class of membership.

(b) Members' Inspection Rights

(i) Membership Records

Subject to the California Corporations Code and unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

- (A) Inspect and copy the records of members' names, addresses, and voting rights during usual business hours on five (5) days' prior written demand on the corporation, which demand must state the purpose for which the inspection rights are requested; or
- (B) Obtain from the Secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for the election of Directors as of the most recent record date for which that list has been compiled, or as of a date specified by the member, after the date of demand. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member on or before the latter of ten (10) days after (i) the demand is received or (ii) the date specified in the demand as the date as of which the list is to be compiled.

The corporation may, within ten (10) business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

If the corporation believes that the information requested will be used for a purpose other than one reasonably related to a person's interest as a member, or if the corporation provides a reasonable alternative under this Section 4.10(b), it may deny the member access to the membership list.

Any inspection and copying under this section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the corporation.

(ii) Accounting Records and Minutes

On written demand presented to the corporation, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the corporation.

(iii) Maintenance and Inspection of Articles and Bylaws

The corporation shall keep at its principal office, or if its principal office is not in California, at its principal business office in this state, the original or a copy of its Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours. If the principal office of the corporation is outside California and the corporation has no principal business office in this state, the Secretary shall, on the written request of any member, furnish to that member a copy of the Articles of Incorporation and Bylaws, as amended to date.

SECTION 4.12 ANNUAL REPORT

(a) Annual Reports

If required, the Board shall cause an annual report to be sent to the members within one hundred twenty (120) days after the end of the fiscal year of the corporation. That report shall contain the information specified in Article IX Section 9.03 of these Bylaws.

(b) Annual Statement of Certain Transactions and Indemnifications

As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall annually prepare and mail or deliver by mail or electronic means to each member and furnish to each Director a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the end of the fiscal year of the corporation:

(i) Any transaction to which the corporation, its parent, or its subsidiary was a party, and to which an “interested person” had a direct or indirect material financial interest, which involved more than fifty thousand dollars (\$50,000) or was one of a number of transactions with the same interested person involving, in the aggregate, more than fifty thousand dollars (\$50,000). For this purpose, an “interested person” is either of the following:

(A) Any Director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

(B) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need to be stated.

(ii) Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or Director of the corporation under Article VIII of these Bylaws, unless that indemnification has already been approved by the members under the California Nonprofit Corporations code.

## ARTICLE V

### DIRECTORS

#### SECTION 5.01 POWERS

(a) General Corporate Powers

Subject to the provisions and limitations of the California Nonprofit Corporation Law and any other applicable laws, and any limitations of the Articles of Incorporation and of these Bylaws, the activities and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

(b) Specific Powers

Without prejudice to these general powers, but subject to the same limitations, the Directors shall have the power to:

(i) Appoint and remove, at the pleasure of the Board, all officers, agents and employees of the corporation; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation and with these Bylaws; require from them security for faithful performance of their duties.

(ii) Change the principal office or the principal business office in the State of California from one location to another.

(iii) Adopt and use a corporate seal and alter the form thereof.

(iv) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the purposes of the corporation, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

#### SECTION 5.02 NUMBER AND ELECTION OF DIRECTORS AND RESTRICTIONS ON DIRECTORS

(a) Authorized Number

The authorized number of Directors shall be nine (effective 2016 elections).

(b) Election of Directors

Except as provided in 4.07(b), Directors shall be elected at each annual meeting of the members to hold office until the next annual meeting; however, if any annual meeting is not held or the Directors are not elected at any annual meeting, they may be elected at any special member's meeting held for that purpose. Each Director, including a Director elected to fill a vacancy or elected at a special member's meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

(c) Restrictions on Directors

Not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (1) any person being compensated by the corporation of services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law of such person. However, any violation of the enforceability of any transaction entered into by the corporation. A Director may not participate in any vote on any proposed transaction with another organization or entity of which such Directors is also an employee, principal or director.

#### SECTION 5.03 THE TERM OF OFFICE OF DIRECTORS

The Directors newly appointed or selected in accordance with Section 5.02(b) shall hold office for a term of one year. Only the officer active as president shall be limited to serve no more than two consecutive one year terms. The Board shall appoint a qualified person, not an officer of the association, to review the Treasurer's books prior to the annual meeting.

#### SECTION 5.04 VACANCIES

(a) Events Causing Vacancy

A vacancy or vacancies on the Board shall exist on the occurrence of the following: (i) the death, removal, suspension or resignation of any Director; or (ii) the declaration by resolution of the Board of vacancy in the office of a Director who has been declared of unsound mind by an order of the court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law; or (iii) failure to attend at least two thirds (2/3) of monthly meetings or three (3) consecutive unexcused absences.

(b) Resignations

Except as provided in this subsection, any Director may resign effective upon giving written notice to any Director may resign effective upon giving written notice to the Chairman of the Board, if any, or the President or the Secretary of the Board, unless such notice specifies a later time for the resignation to become effective. Except upon notice to the Attorney General of the State of California, no Director may resign when the corporation would then be left without a duly elected Director or Directors in charge of its affairs.

(c) Filling Vacancies

Any vacancy on the Board shall be filled by vote of the remaining Directors, whether or not less than a quorum, or by a sole remaining Director.

(d) No Vacancy On Reduction of Number of Directors

No reduction of the authorized number of Directors shall have the effect of removing any Director before the Director's term of office expires.

#### SECTION 5.05 PLACE OF MEETINGS; MEETING BY TELEPHONE

Meetings of the Board shall be held at the principal office of the corporation or at such other place as has been designated by the Board. IN the absence of any such designation, meetings shall be held at the principal office of the corporation. Any meeting may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting.

#### SECTION 5.06 ANNUAL, REGULAR AND SPECIAL BOARD MEETINGS

(a) Annual Meeting

The Board shall hold an annual meeting immediately following the annual meeting of the membership, or in conjunction with its regularly scheduled meeting for the month of January of each year for the purpose of organization, installation of officers and the transaction of other



business; provided, however, that the Board may fix another time for the holding of its annual meeting. Notice of this meeting shall not be required.

(b) Other Regular Meetings

Other regular meetings shall be held on the NOTICED DATE of each month at NOTICED PLACE [a.p.]m, at the principal office of the corporation, or at any other place designated from time to time by resolution of the Board. Said meetings shall be held without notice; provided, however, any given monthly meeting may be dispensed with by majority vote of the Board.

(c) Special Meetings

(i) Authority to Call

Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, or the Secretary or any two Directors.

(ii) Notice

(A) Manner of Giving Notice

Notice of the time and place of special meetings shall be given to each Director by one of the following methods:

1. by personal delivery of written notice
2. by first-class mail, postage pre-paid
3. by telephone, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; or
4. by electronic mail.

All such notices shall be given or sent to the Director's address, telephone number, or electronic mail address, as shown on the records of the corporation.

(B) Time Requirements

Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or sent electronically at least forty-eight (48) hours before the time set for the meeting.

(C) Notice Contents

The notice shall state the time of the meeting, and the place if the place is other than the principal office of the corporation. It need not specify the purpose of the meeting.

#### SECTION 5.07 QUORUM

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in section 5.09. Subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) approval of certain transactions between corporations having common directorship, (iii) creation of an appointment of committees of the Board and (iv) indemnification of Directors, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is 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.

#### SECTION 5.08 WAIVER OF NOTICE

Notice of a meeting need not be given any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given any Director who attends the meeting without protesting before or at its commencement the lack of notice to such Director.

#### SECTION 5.09 ADJOURNMENT

A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

#### SECTION 5.10 NOTICE OF ADJOURNED MEETING

Notice of the time and place of holding an adjourned meeting need not be given, unless the original meeting is adjourned for more than twenty-four (24) hours, in which case notice of any adjournment to another time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

#### SECTION 5.11 ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board and a majority have been notified and consent in writing to that action.

Board Member notification may be made by electronic mail to the email address in the corporate records. Consent received electronically is valid only if received from the email address in the corporate records.

Such action by written consent shall have the same force and effect as any other validly approved action of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. For the purposes of this Section 5.11 only, "all members of the Board" shall not include Directors who have a material financial interest in a transaction to which the corporation is a party.

## ARTICLE VI

### COMMITTEES

#### SECTION 6.01 COMMITTEES OF THE BOARD

The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace an absent member at any meeting. The Board may appoint FONL members who are not elected Board members as non-voting members of a Board committee. No non-voting member may chair a Board committee or count toward quorum for that committee. Any such committee, to the extent provided in the resolution of the Board, may have all of the authority of the Board, except that no committee regardless of Board resolution may:

- (a) fill vacancies on the Board or in any committee which has the authority of the Board;
- (b) establish or fix compensation of the Directors for serving on the Board or on any committee;
- (c) amend or repeal Bylaws or adopt new Bylaws;
- (d) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) appoint any other committees of the Board or the members of these committees;
- (f) approve any contract or transaction to which the corporation is a party and in which one or more of its Directors has a material financial interest, except as such approval is provided for in Section 5233(d)(3) of the California Corporations Code.

#### SECTION 6.02 MEETINGS AND ACTIONS OF THE COMMITTEES

Meetings and action of committees of the Board shall be governed by, held and taken in accordance with the provisions of Article V of these Bylaws, concerning meetings and other meetings of such committees and the calling of special meetings thereof may be determined either by resolution of the Board or, if there is no Board resolution, by resolution of the committee of the Board. Minutes shall be kept of each meeting of any committee of the Board and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws or in the absence of rules adopted by the Board, the committee may adopt such rules.

## ARTICLE VII

### OFFICERS

#### SECTION 7.01 OFFICERS

The officers of the corporation shall include a President, a Secretary, and a Treasurer. The corporation may also have, at the Board's discretion, a Chairman of the Board, one or more Vice Presidents, one or more assistant Secretaries, one or more assistant Treasurers, and such other officers as may be appointed in accordance with section 7.03 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President.

#### SECTION 7.02 ELECTION OF OFFICERS

The officers of the corporation, except those appointed in accordance with the provisions of Section 7.03 of this Article VII, shall be chosen by the Board of Directors, and each shall serve the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

#### SECTION 7.03 OTHER OFFICERS

The Board may appoint and may authorize the President or another officer to appoint any other officers that the corporation may require, each of whom shall have the title, hold office for the period, have the authority and perform the duties specified in the Bylaws or determined from time to time by the Board.

#### SECTION 7.04 REMOVAL OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors, or, except in case of an officer chosen by the Board of Directors, by an officer on whom such power of removal may be conferred by the Board of Directors.

SECTION 7.05 RESIGNATION OF OFFICERS

Any officer may resign upon written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

SECTION 7.06 VACANCIES IN OFFICE

A vacancy occurring in any office because of death, resignation, removal or other cause, shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

SECTION 7.07 RESPONSIBILITIES OF OFFICERS

(a) President/Chief Executive Officer

Subject to the control and supervision of the Board, the President shall be the Chief Executive Officer and general manager of the corporation and shall generally supervise, direct and control the activities and affairs and the officers of the corporation. The President shall preside at all meetings of the Board. The President shall have such other powers and duties as may be prescribed the Board or these Bylaws.

(b) Vice President

The Vice President in the absence of the President or in the event of one's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall attend Board meetings to observe how the FONL functions, become thoroughly familiar with all FONL affairs, and develop working relationships with FONL Board Members and relevant Library and Community members.

(c) Secretary

(i) Book of Minutes

The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may direct, a book of minutes of all meetings and actions of the Board and of committees of the Board. The Secretary shall also keep, or cause to be kept, the Articles of Incorporation and Bylaws, as amended to date. If the corporation is one having members, the Secretary shall also maintain a complete and accurate record of the membership of the corporation, as well as a record of the proceedings of all meetings of the membership.

(ii) Notices, Seal and Other Duties

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

(d) Treasurer

(i) Books of Account

The Treasurer of the corporation shall keep or maintain, or cause to be kept or maintained, adequate and correct books and accounts of the properties and transactions of the corporation, and shall send or cause to be sent to the Directors such financial statements and reports as are required by law or these Bylaws to be given. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) Deposit and Disbursement of Money and Valuables

The Treasurer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board, shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President or Chairman of the Board, if any, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the corporation and shall have other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(iii) Bond

If required by the Board, the Treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Chief Financial Officer upon death, resignation, retirement or removal from office.

(e) Immediate Past President

The primary responsibility of the Immediate Past President shall be to serve as the senior advisor and counselor to the President and Board of Directors. In addition, the Immediate Past President shall serve as chair of the Nominating Committee, whose responsibilities include: sending out the annual Call-For-Nominations to FONL members, organizing the ballot of the candidates for the election of officers, and preparing election materials such as ballots.

## ARTICLE VIII

### INDEMNIFICATION AND INSURANCE

#### SECTION 8.01 INDEMNIFICATION

(a) Right of Indemnity

To the full extent permitted by law, this corporation shall indemnify its Directors, officers, employees and other persons described in Section 5238(a) of the California Corporation Code,

including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any "proceeding," as that term is used in such Section and including an action by or in the right of the corporation, by reason of the fact that such person is or was a person described by such Section. "Expenses," as used in this Bylaw, shall have the same meaning as in Section 5238(a) of the California Corporation Code.

(b) Approval of Indemnity

Upon written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporation Code, the Board shall promptly determine in accordance with Section 5238(e) of the Code 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. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought is such as to prevent the formation of a quorum of Directors who are not parties to such proceeding, the Board or the attorney or other person rendering services in connection with the defense shall apply to the court in which such proceeding is or was pending to determine whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met.

(c) Advancement of Expenses

To the full extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the corporation prior to the final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the corporation therefor.

SECTION 8.02 INSURANCE

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents of the corporation, against any liability asserted against or incurred by an officer, Director, employee or agent in such capacity or arising out of the officer's, Director's, employee's or agent's status as such.

ARTICLE IX

RECORDS AND REPORTS

SECTION 9.01 MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of the Board and committees of the Board.
- (c) If applicable, a record of its members, giving their names and addresses and the class of membership held.

SECTION 9.02 INSPECTION BY DIRECTORS

Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation and the records of each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

SECTION 9.03 ANNUAL REPORT

Except as provided under section 6321(c)(d) or (f) of the California Corporation Code, not later than one hundred twenty (120) days after the close of the fiscal year of the corporation, the Board shall cause an annual report to be sent to all members of the Board. Such report shall contain the following information in reasonable detail:

- (i) The assets and liabilities, including the trust funds, or the corporation as of the end of the fiscal year.
- (ii) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (iii) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (iv) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.
- (v) Any information required by Section 9.04.



(vi) The Board of Directors shall appoint a qualified person, not an officer of the association, to review the Treasurer's books prior to the annual meeting in January.

#### SECTION 9.04 TRANSACTIONS AND INDEMNIFICATIONS

The corporation shall prepare annually and furnish to each director a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the close of the fiscal year of the corporation:

(a) Any transaction to which the corporation, its parent or its subsidiary was a party, and in which any Director or officer of the corporation, its parent or subsidiary (but mere common director-ship shall not be considered such an interest) had a direct or indirect material financial interest, if such transaction involved over fifty thousand dollars (\$50,000), or was one of a number of transactions with the same person involving, in the aggregate, over fifty thousand dollars (\$50,000).

(b) Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or Director of the corporation pursuant to Section 8.01 hereof.

The statement shall include a brief description of the transaction, the names of the Director(s) or officer(s) involved, their relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a partnership in which such person is a partner, only the interest of the partnership needed be stated.

### ARTICLE X

#### CONSTRUCTION AND DEFINITIONS

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

ARTICLE XI

AMENDMENTS

SECTION 11.01 ADOPTION OR AMENDMENT BY MEMBERS

New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of a majority of the members of the corporation.

The term "majority," as used in this section, is as defined in the California Nonprofit Corporation Law.

SECTION 11.02 AMENDMENT BY BOARD OF DIRECTORS

Subject to the right of members under Section 11.01 hereinabove, Bylaws other than a Bylaw fixing or changing the authorized number of Directors, or the minimum and maximum number of Directors, or a Bylaw materially and adversely affecting the rights of members as to voting or transfer, may be adopted, amended, or repealed by a two thirds (2/3) vote of the authorized number of Directors.

SECTION 11.03 MAINTENANCE OF RECORDS

The Secretary of the corporation shall see that a true and correct copy of all amendments of the Bylaws, duly certified by the Secretary, is attached to the official Bylaws of the corporation and is maintained with the official records of the corporation at the principal office of the corporation.