

# **Newberry Springs Economic Development Association (NSEDA)**

## **BYLAWS - March-29-2016**

### **ARTICLE 1 NAME**

The name of this corporation is Newberry Springs Economic Development Association (the "Corporation")

### **ARTICLE 2 PURPOSES**

#### **Section 2.1 General Purpose**

The Corporation is a nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.

#### **Section 2.2 Specific Purpose**

The specific purpose of the Corporation is to foster the economic and social development of the community of Newberry Springs (defined as within the boundaries of the Newberry Springs Community Services District) while defending and promoting its rural lifestyle and values. This will be accomplished by:

- i) Seeking grants, loans, or contributions from local, state and federal governments, and from foundations or private entities to be used exclusively for projects which are of both short and long term benefit to Newberry Springs.
- ii) Providing a mechanism whereby property owners, employers, residents, service organizations, retail establishments and others can cooperate to stimulate business and employment opportunities, provide job training for persons of high school age and older, and launch cottage industries to utilize and improve local skills and resources.
- iii) Mobilizing available public and private resources to attract and capitalize on the tourist trade which flows through Newberry Springs via Historic Route 66.
- iv) Performing all other acts necessary or incidental to the above, and doing whatever is deemed necessary, useful, advisable, or conducive, either directly or to carry out the purposes of the Corporation as established in these Bylaws.

#### **Section 2.3 Limitations**

The Corporation shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation. The Corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary charitable purposes. In no event shall the Corporation engage in activities which are not permitted to be carried on by a Corporation except under section 501(c)(3) of the Internal Revenue Code.

#### **Section 2.4 Priority of the Articles of Incorporation**

## **Table of Contents**

Notwithstanding these Bylaws, in no instance shall the Corporation engage in any activities or exercise any powers in conflict with its Articles.

### **ARTICLE 3 POWERS**

The Corporation shall hold and may exercise all such powers as may be conferred upon a nonprofit corporation by the laws of the State of California and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Corporation.

### **ARTICLE 4 OFFICES**

The Board of Directors may determine and change the principal office location by Board resolution at any time, provided said location is within the boundaries of the Newberry Springs CSD.

### **ARTICLE 5 DEDICATION OF ASSETS**

No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, Director, or officer of the Corporation except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered.

On liquidation or dissolution, all remaining properties and assets of the Corporation shall be distributed and paid over to an organization dedicated to charitable purposes which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

### **ARTICLE 6 MEMBERSHIP**

#### **Section 6.1 Members**

Any person residing, having a residence, business, or property within the boundaries of the Newberry Springs CSD is considered to be a Member.

#### **Section 6.2 Voting Members**

The Member must have signed in and attended at least two out of the most recent three regular meetings in order to vote. If one with a good attendance record must have been absent for good reason, but wants the privilege of voting upon his/her return, that person may request, orally or in writing, waiver of this voter rule. This shall be acted on by the Board of Directors upon his/her return, or at a prior time.

### **ARTICLE 7 THE INITIAL BOARD OF DIRECTORS**

There shall be a Nominating Committee (NC) and a Vote Counting Committee (VCC). Each of these shall consist of three active members, two appointed by the Formation Committee and one to be elected by Voting Members at the meeting when these Bylaws are adopted. It is preferred but not required that the NC and VCC not duplicate members.

#### **Section 7.1 Nominating the Board**

The NC shall nominate candidates for the Board. There shall be no less than five nominated and presented at the first regular meeting after these Bylaws are adopted. At this meeting, nominations may also be taken from the floor, with consent of the nominee, and provided he/she is in attendance at this meeting.

### **Section 7.2 Voting for the Board**

At the second regular meeting after these Bylaws are adopted, the election of the Board by secret ballot will take place. Ballots are to be issued only to Voting Members [Section 6.2]. Votes will be counted by the VCC and results announced at this meeting.

### **Section 7.3 Timeline (example only)**

First meeting: Bylaws adopted. Second meeting: NC presents its nominees and nominations taken from the floor. Third meeting: Election, new Board official; Officers elected by Board.

### **Section 7.4 Results and Term Limits of Initial Voting**

The five getting the most votes are elected. The two getting the most votes are elected to what remains of this year plus the regular three-year term. The two with the third and fourth highest votes are elected to what remains of this year plus two-year terms. The one with the fifth highest votes is elected to what remains of this year plus a none-year term. These one- and two-year terms apply to this first election only.

## **ARTICLE 8 THE BOARD OF DIRECTORS**

Any Voting Member is qualified to be a Director [see Section 6.2].

### **Section 8.1 Term of Office**

The term of office of a Director is three years except as noted in Section 7.4.

### **Section 8.2 Number of Directors**

The number of Directors shall not be less than five (5) nor more than twelve (12), unless changed by amendment of these Bylaws. The Board shall fix the exact number of Directors from time to time, within these limits.

### **Section 8.4 Quorum**

The quorum of the Board shall be a majority of the Board of Directors and not less than three Directors must be present in order to conduct business.

### **Section 8.5 Officers**

The Board of Directors elect the Officers directly after they are elected. The Officers of the Corporation are President, Vice President, Secretary, and Treasurer, with one additional Director.

### **Section 8.6 Standard of Care**

A Director shall perform the duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

## Table of Contents

### Section 8.7 Duties of Officers

#### President

The President shall preside at all Board and regular and special general meetings, and perform such duties as ordinarily pertain to or are indicated by the title of that office. The President is an ex-officio member of all committees of the Corporation except for the Nominating Committee (NC).

The President will represent the Corporation at the Board of Directors of the Newberry Springs Chamber of Commerce. If the Chamber of Commerce provides the place on its Board, the President will serve on that Board.

#### Vice President

The vice president shall perform the duties of the President in the absence of the President, and also such duties as may be requested by the President.

#### Secretary

The Secretary shall keep the minutes of the regular and special public meetings, and Board meetings, and any other significant events, and shall have custody of all books, records, and papers belonging to the Corporation.

The Secretary shall send out all notices, shall maintain records of meeting attendees, and a list of officers and Board members and their terms of office, and records of all correspondence.

The Secretary shall certify and keep or cause to be kept at the principal office of the Corporation the following:

1) Original or a copy of the Articles of Incorporation and these Bylaws as amended to date.

2) Federal Tax Exemption Application and Annual Information Returns.

3) Minute Book in written or typed form.

The Secretary shall perform such other duties incident to the office of Secretary as may be prescribed by the Board or these Bylaws. The Bylaws and the minute book shall, upon request, be exhibited to any Director at any reasonable time.

#### Treasurer

The Treasurer shall be responsible for all monies collected and disbursed, and initiate a budget if directed, and shall keep accurate and detailed records and submit monthly reports at the public meetings, providing a duplicate copy to the Secretary.

The Treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct books and records of accounts and transactions of the Corporation.

The Treasurer shall prepare or cause to be prepared the financial statements to be included in any required reports.

The Treasurer shall deposit or cause to be deposited 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 or cause to be disbursed the funds of the Corporation as may be ordered by the Board.

The Treasurer shall have other powers and perform other duties incident to the office of Treasurer as may be prescribed by the Board or these Bylaws.

Upon request, the Treasurer shall render or cause to be rendered to the Directors, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation.

### **Section 8.8 Vacancies**

The Board of Directors shall fill all vacancies on the Board, with the term to be only until the next regular annual election of the vacant term.

### **Section 8.9 Events Causing Vacancy**

A vacancy on the Board shall occur in the event of one or more of the following:

- 1) the death, resignation, or removal of any Director;
- 2) an increase in the authorized number of Directors;
- 3) the failure of the Directors, at any annual or other meeting at which any Director or Directors are to be elected, to elect the full authorized number of Directors;
- 4) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by any final order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Section 5230-5239 of the California Nonprofit Public Corporation Code (Code) dealing with standards of conduct for a Director;
- 5) the declaration by resolution of the Board of a vacancy in the office of a Director who has missed three (3) consecutive Board meetings or a total of four (4) meetings of the Board during any one calendar year;
- 6) the declaration by resolution of the Board of a vacancy in the office of a Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

### **Section 8.9 Removal (see Section 5222 of the Code)**

The Board may request that a Director be removed without cause by a majority vote of Voting Members at a regular or special meeting provided that the Director and Voting Members have been notified in writing, phone call, personal conversation, or email if that method of communication is on record as being approved by the Director or Voting Member.

A reduction in the number of Directors shall not result in any duly elected Director being removed. The Director(s) shall continue until the expiration of his/her term of office.

## **ARTICLE 9 MEETINGS**

### **Section 9.1 Annual Meeting**

The Annual Meeting will take place the first Tuesday of January.

The Board of Directors may fix another date and time as long as proper notification takes place (Section 9.3).

### **Section 9.2 Time and Place of Meetings**

Meetings will be held on the first Tuesday of each month, 5:30 p.m., at the Community Building in Newberry Springs, CA.

### **Section 9.3 Notification of Meetings**

## Table of Contents

Notices shall be posted in three public places at least a week before the regular meetings. Those members who have indicated in writing that they would like to be notified by email and have provided addresses shall be so notified. No notification by mail shall be made.

### **Section 9.4 Change in Meeting Time or Place**

Directors shall be notified of a change in the regular meeting day or time by in-person communication, phone, or by email to those who have provided addresses and indicated in writing that this is an acceptable contact method for them.

The change shall be posted in not less than three public places in Newberry Springs as far ahead as is practical and do-able.

Others who have indicated that email is an acceptable means of contact will be so notified.

### **Section 9.5 Special Meetings**

Special meetings may be called by the President or other officer on the President's behalf. Notice shall be given to Directors by personal communication or phone, or email to those who have provided email addresses and indicated that such contact is acceptable. The notification will be at least three days before the special meeting.

Notices will be posted in three public places in Newberry Springs of the change. Members who have provided email addresses and indicated that such contact is acceptable will be so notified.

### **Section 9.6 Special Directors' Meetings**

In addition to the regular meetings (Sections 9.2-9.5) the Board of Directors shall meet as called by the President or by two or more other Directors. Notification will be the same as in Section 9.3 for Directors only.

Minutes shall be taken and available for inspection by Voting Members (Section 6.2) upon request.

Also reference Section 5211 of the Code.

### **Section 9.7 Quorum and Action of the Board**

A quorum of the Board shall be three (3) Directors if the Board consists of five (5) Directors. No less than three Directors may make decisions for the Corporation. If there are more than five Directors, then a quorum shall consist of a majority plus one.

### **Section 9.8 Minimum Vote**

Every act done or decision 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, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by the Articles of Incorporation, these Bylaws, or the Code.

Directors may not vote by proxy.

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 disinterested majority (see Section 11.5) of the required quorum for such meeting, or such greater number as required by the Articles of Incorporation, these Bylaws, or the Code.

## **Section 9.9 Greater Vote Requirements**

The following actions by the Board shall require a vote by a majority of all Directors then in office in order to be effective:

- 1) Approval of contracts or transactions in which a Director has a direct or indirect material financial interest. Section 5233 of the Code delineates what constitutes an “interested” Director. That Director shall not vote on matters in which he/she has a financial interest.
- 2) Creation of and appointment to committees except advisory committees.
- 3) Indemnification of Directors as described in Section 9.11.

## **Section 9.10 Action without a Meeting**

The Board may take any required or permitted action without a meeting if all disinterested Directors shall individually or collectively consent in writing (including email) to such action. Such written consent shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the vote of such Directors in a meeting.

## **ARTICLE 10 COMMITTEES**

The Corporation shall have as many committees as needed to conduct its business. All committees shall be appointed by the President and shall make regular reports as requested.

## **ARTICLE 11 FINANCES**

### **Section 11.1 The Year**

The fiscal year shall be the calendar year: January 1 to December 31.

### **Section 11.2 Budget**

A budget, if needed, shall be prepared by the Treasurer and approved by the Board of Directors no later than February 1.

### **Section 11.3 Annual Review**

An annual review of the finances shall be prepared by the Treasurer, audited by two or more disinterested parties, and be approved by a majority of Voting Members at the March meeting.

### **Section 11.4 Funds**

The Corporation shall have autonomous control over all its monies. No funds, other than budgeted funds, shall be spent except by approval of the President and Treasurer. The President and Treasurer may approve expenditures not to exceed \$100 per moth. Any sum over that must be approved by the Board.

### **Section 11.5 Fees and Compensation of Directors**

The Corporation shall not pay any compensation to Directors for services rendered to the Corporation as Directors, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board.

## Table of Contents

Directors may not be compensated for rendering services to the Corporation in a capacity other than as Directors unless such compensation is reasonable and further provided that not more than 49% of the persons involved maybe “interested” persons which for purposes of this Section means:

Any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full- or part-time Officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or

Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the Corporation.

### **ARTICLE 12 AUTHORITY**

Meetings shall be governed by rules set forth in *Roberts’ Rules of Order* as amended insofar as such rules are not inconsistent with or in conflict with these Bylaws, the Articles, or with any provisions of law applicable to the Corporation.

### **ARTICLE 13 AMENDMENTS**

The Bylaws of the Corporation may be amended by a two-thirds vote of Voting Members present and eligible to vote at any regularly called meetings in accordance with Sections 9.3 and 9.4.

### **ARTICLE 14 DISSOLUTION**

As stated in the Articles of Incorporation, upon dissolution of the Corporation, after payment, or provision for payment, of all debts and liabilities of this Corporation, its remaining assets 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.