

# **BYLAWS OF PALOMAR MOUNTAIN PLANNING ORGANIZATION [1991]**

A Membership Nonprofit Public Benefit Corporation

## **1. ARTICLE I NAME**

### **Section 1.1 Name.**

The name of this organization is the PALOMAR MOUNTAIN PLANNING ORGANIZATION.

### **Section 1.2 Activities.**

All activities of this organization shall be performed in the name of the PALOMAR MOUNTAIN PLANNING ORGANIZATION.

## **2. ARTICLE II OFFICES**

### **Section 2.1 Principal Office.**

The principal office for the transaction of the business of the corporation is fixed and located at 35899 Canfield Road, Palomar Mountain, California 92060, County of San Diego, State of California. The Board of Directors (hereinafter sometimes referred to as "the Board") is hereby granted full power and authority to change the said principal office from one location to another within the said county.

### **Section 2.2 Other Offices.**

Branch or subordinate offices may at any time be established by the Board at any place where the corporation is qualified to do business.

## **3. ARTICLE III PURPOSE AND OBJECTIVES**

### **Section 3.1 Purpose.**

This 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 and for charitable purposes.

### **Section 3.2 Objectives.**

The objectives of this corporation are to investigate, specify, and implement planning goals and proposals for the Palomar Mountain Community and the Cleveland National

Forest, in order to provide guidelines for future economic, social and physical development, with emphasis on the enhancement, management and integration of environmental and community resources, and to pursue any and all charitable activities related to the foregoing specific purposes.

#### **4. ARTICLE IV AUTHORITY, LIMITATIONS AND DEDICATION OF ASSETS**

##### **Section 4.1 Authority.**

The corporation was initially formed to respond to various long range plans proposed for the Cleveland National Forest. Subsequently, the organization has been recognized by the San Diego County Board of Supervisors as a "Sponsor Group" pursuant to its Policy I-1 entitled "Community and Sub-regional Planning Policies and Procedures. "

##### **Section 4.2 Limitations.**

The purposes for which this corporation is organized are exclusively charitable within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986. Notwithstanding any other provisions of the Articles or these Bylaws, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law). This corporation shall be non-partisan, non-sectarian, and shall not discriminate against any person or persons on account of race, sex, creed or national origin. The corporation recognizes that its principal thrust is to assist and to advise; that it has no regulatory function in the public or governmental sector, nor do its decisions have a binding effect in the private sector.

##### **Section 4.3 Geographical Boundaries.**

The geographical boundaries for what is referred to as "Palomar Mountain" shall be as determined from time to time by the corporation's Board and appended hereto as Appendix "A".

##### **Section 4.4 Dedication of Assets.**

This corporation is not established nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits, or dividends to the members thereof and is organized solely for nonprofit purposes stated in Article III herein.

##### **Section 4.5 Dissolution.**

This corporation shall be dissolved and its affairs wound up when no general membership or planning board meeting shall have been held in a 12-month period. On the dissolution or winding up of this corporation, its assets remaining after payment of all debts and liabilities 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) of the Internal Revenue Code.

## **5. ARTICLE V MEMBERSHIP**

### **Section 5.1 Voting Members and Qualifications.**

The voting members of this corporation shall be Property Owners, Residents, Business Persons, and Users, who meet the eligibility requirements described in Section 5.2 hereinafter.

### **Section 5.2 Eligibility.**

Each individual voting member must be a natural person of at least 18 years of age. There shall be four (4) means of qualifying as a voting member of this corporation, as follows:

a. (a) Property Owner: Any person or corporation which pays taxes on any parcel of real property on Palomar Mountain. Property Owners shall not include more than three (3) persons or representatives from a corporation.

b. (b) Resident: Any person who has resided for six (6) months and still resides, at the time of the election, on Palomar Mountain.

c. (c) Business Person: Any person or organization owning or managing a business which serves people present on Palomar Mountain. Business Persons shall not include more than three (3) persons or representatives from a business.

d. (d) User: Any person or group of persons who can demonstrate that he or she has used or established campgrounds on Palomar Mountain at least five (5) overnight times in the last three (3) months prior to voting. Users shall not include more than three (3) persons from a group.

Any indecision concerning eligibility or voting at general or membership Board meetings shall be resolved by the Board, or an appropriate sub-committee thereof. No voting member may qualify for more than one (1) vote by virtue of fulfilling more than one of the four (4) means of qualification defined at subparagraphs (a), (b), (c), and (d) hereinbefore. Any petitions to the corporation executed by eligible voters shall be dated by voter/signator and shall also include the voter's means of qualification defined at subparagraphs (a), (b), (c), and (d) hereinbefore.

### **Section 5.3 Honorary Members.**

The Board may elect honorary members who shall have no voting privileges. The term "member" as used hereinafter in these Bylaws shall refer only to the voting members and not the honorary members.

## **6. ARTICLE VI MEMBERSHIP MEETINGS AND ACTION**

### **Section 6.1 Place of Meeting.**

All meetings of the members shall be held either at the principal office of the corporation or at any other place within or without the State of California, which may be designated by the Board pursuant to the authority hereinafter granted to the said Board, or by the

written consent of the members, given either before or after the meeting and filed with the Secretary of the corporation.

## **Section 6.2 Annual General Meetings and Election of the Board of Directors.**

The annual general meetings of the members of the corporation shall be held on Memorial Day Weekend of each year at 2:00 p.m. Unless elected by written ballot pursuant to Section 6.7, the annual general meeting shall have as the principal item on its agenda the election of members to serve on the Board. The Board shall designate a slate of candidates for election, and nominations shall also be taken from the floor at the annual meeting. Nominations and election policies are set forth in Section 7.3 hereinafter.

## **Section 6.3 Special Public Meetings.**

Special public meetings of the members, for any lawful purpose, may be called at any time by the Board or by written request of one hundred (100) eligible voting members. Upon request in writing by eligible voting members entitled to call a special meeting of the members, stating the business to be transacted at the special meeting, mailed to the principal office of the corporation, or delivered to the Chairperson, Vice Chairperson or Secretary, it shall be the duty of the Board to cause notice to be given, within twenty (20) days from receipt of such a request, to the members of the meeting scheduled and to be held not less than thirty-five (35) days nor more than ninety (90) days after the receipt of such a request.

## **Section 6.4 Notice of Meetings.**

A notice of each annual meeting, written ballot for election of the Board or otherwise, if any, and special meetings shall be given by the Chairperson, or, in case of his or her failure or refusal, by any other officer or any Board member; shall specify the place, time, day and hour of the meeting or the date on which the ballot shall be returned, if applicable; in the case of an annual meeting at which the Board shall be elected, shall specify the names of all those who are candidates or election of the Board at the time the notice is given, and in the case of special meetings, the nature of the business to be transacted thereat. Such notice shall be given in writing to the members of the corporation. Such notice shall be given either personally or by sending a copy thereof by first-class mail, postage prepaid, to each member's address appearing on the books of the corporation, at least ten (10) days but no more than ninety (90) days prior to the date fixed or such meeting. Further, or those members whose addresses are not on the books of the corporation, such notice shall be given either personally or as follows:

- a. (a) Property Owners: By sending a copy of such notice by first-class mail, postage prepaid, to each person listed by the San Diego County Assessor as owning real property on Palomar Mountain.
- b. (b) Residents: Personally or by sending a copy of such notice by first-class mail, postage prepaid, to each general delivery address on Palomar Mountain.
- c. (c) Business Persons and Users: Personally or by posting a copy of such notice on the Palomar Mountain Community Bulletin Board.

## **Section 6.5 Adjourned Meetings.**

Any meeting of the members, either annual or special, may be adjourned from time to

time by the vote of the members present, but in the absence of a quorum no other business may be transacted at any such meeting. No meeting may be adjourned for more than forty-five (45) days. It shall not be necessary to give any such notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by an announcement at the meeting at which such adjournment is taken. If after the adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to the members.

### **Section 6.6 Quorum.**

The presence in person of thirty (30) members at any meeting shall constitute a quorum for the transaction of business.

### **Section 6.7 Action Without Meeting by Written Ballot.**

Any action which may be taken at any general or special meeting of members may be taken without a meeting if the corporation distributes a written ballot to the members entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the corporation. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds a quorum of the members, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Ballots shall be distributed to members in accordance with Section 6.4 hereof, and, in any election of the Board members by written ballot, the ballot shall name the candidates for the Board, and shall provide a space entitled "withhold" in which the members may indicate that the authority to vote for the election of the Board members is withheld. All ballots distributed in accordance with the Section 6.7 shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of the Board members, shall state the percentage of approvals necessary to pass the measure submitted. All written ballots distributed in accordance with this Section 6.7 shall specify the time by which the ballot must be received in order to be counted.

### **Section 6.8 Voluntary Contributions.**

The Board may from time to time call for voluntary contributions at a public meeting, or find other means for raising money for the purposes of this corporation. There shall be no legal liability on the part of any person to pay such sums.

### **Section 6.9 Copies of Minutes.**

Any person may receive copies of the minutes of the Board and public meetings, and the notice of public meetings, by paying such fees and following such procedures as may be established by the Board from time to time. The year shall commence with the month these Bylaws are adopted.

## **7. ARTICLE VII BOARD OF DIRECTORS**

### **Section 7.1 Powers.**

Subject to the limitations of the Articles of Incorporation, of the Bylaws, and of the Nonprofit Public Benefit Corporation Law of the State of California as to action to be authorized or approved by members, and subject to the duties of the Board as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by the Board. Without limiting the foregoing, the Board shall have the power to levy dues and assessments, to select and remove all officers, agents, employees and contractors, and to fix reasonable compensation therefor, to authorize and empower officers or agents to enter into contracts and other commitments on behalf of the corporation, and to appoint and delegate responsibilities and authority to committees, officers and agents. Without relinquishing its ultimate authority to manage and conduct the affairs of the corporation, the Board of Directors is hereby expressly authorized to enter into administrative and management services agreements or the purpose of engaging any person or management company to manage the affairs and activities of the corporation.

### **Section 7.2 Number of Board Members.**

The authorized number of members on the Board shall consist of fifteen (15) members, until changed by amendment of the Articles of Incorporation or by a bylaw amending this section duly adopted by the affirmative vote of the members of the corporation at a duly held meeting at which a quorum is present or by written ballot in accordance with Section 6.7. The exact number shall be fixed from time to time within the limits specified in this Section, by a resolution of the Board. Subject to the foregoing provision for changing the number of Board members, the exact number of Board members of the corporation is hereby fixed at fifteen (15).

### **Section 7.3 Nominations and Election.**

Membership on the Board shall be open to any individual Resident, Property Owner, or Business Person, as hereinbefore described in Section 5.2, interested in contributing time and effort to achieve the purposes of this organization. Nominations or Board membership shall be taken from eligible voters present at the properly noticed general meeting and may include one or more individuals who have in oral or written form indicated a willingness to stand for election and serve to the Chairperson or one or more Board members.

The Board shall be elected at each annual or special meeting of the members, or by written ballot in accordance with Section 6.7. Eligible voters present shall vote in a secret ballot for members of the Board, according to whatever methods are from time to time established by the Board or a designated subcommittee thereof, with a simple majority being required to pass measures or elect members unless otherwise required herein. The members receiving the greatest number of votes shall serve as Board members.

### **Section 7.4 Term of Office.**

Membership shall be staggered with five (5) members being elected annually, for three (3) year terms. For the second and third years of the corporation's existence, the seats to

be vacated shall be chosen by the lot drawing method. The first drawing of lots and the first election of the five (5) members shall be drawn one year after the adoption of these Bylaws. Lots may be interchangeable among Board members prior to election. The annual election of Board members shall simply elect members to fill the seats of those Board members whose three (3) year terms have expired. All Board members shall hold office until their respective successors are elected. There shall be no prohibition on reelection of a Board member following the completion of that Board member's term of office.

### **Section 7.5 Alternate Board Member.**

In instances where requested by a candidate for Board membership, one Alternate person may run in conjunction with a candidate for the Board. When a Board member and an Alternate are together elected at a general public meeting, the primary member shall be responsible for informed participation on the Board, but may allow his or her Alternate to attend and vote in his or her place. However, no Board member having an Alternate elected by the general membership may be represented by his or her Alternate on more than two consecutive meetings, regular or special. At the third meeting, regular or special, if the Board member is not present, irrespective of whether or not the Alternate is present, the Alternate shall not be allowed either vote or attendance credit for such meeting. Board members may not vote at Board meetings by proxy, nor shall there be permitted telephonic voting. The Board shall have the discretion to determine whether an absence shall be "excused".

### **Section 7.6 Vacancies.**

Vacancies in the fifteen (15) member Board may be filled at the next general meeting, and the vacancy to be filled must be a part of the agenda. Between annual general meetings or special public meetings called for the election of members of the Board, any vacancy in the Board, including vacancies resulting from an increase in the authorized number of Board members which have not been filled by the public at a general assembly meeting, and including vacancies resulting from the resignation, vacation or removal of Board members which are not filled at the general or public meetings at which such removal has been effected, such vacancies may be filled by the vote of the majority of the Board members then in office, or by the sole remaining Board member, although less than a quorum exists, or by written ballot in accordance with Section 6.7.

A vacancy or vacancies shall be deemed to exist in the case of the death, resignation or removal of any Board member, or if the authorized number of Board members, as fixed by the Board in accordance with Section 7.2, be increased without election of the additional Board members so provided or, or in case the members fail at any time to elect the full number of Board members, or if any Board member fails to attend two (2) consecutive regular or special meetings or four (4) meetings in any one fiscal year, regular, public, or specially called; provided, that except upon notice to the Attorney General, no Board member may resign where the corporation would be left without a duly elected Board member in charge of its affairs. The members may at any time elect Board members to fill any vacancy not filled by the Board. If any Board member tenders his or her resignation to the Board, then the Board shall have the power to elect a successor to take office at such time as the resignation shall become effective. No

reduction in the number of Board members shall have the effect of removing any Board member prior to the expiration of his or her term of office.

### **Section 7.7 Recalling Members of the Board.**

Any member may be recalled by a majority vote at a special meeting called or that purpose. Such meeting must be initiated by a petition signed by one hundred (100) eligible voters. The petition must be completed in any thirty (30) day period with dated signatures thereon. The special meeting must be called within thirty (30) days after the petition is submitted to the Board. Recall shall be accomplished by a majority vote of those eligible voters present at the special meeting. Any vacancies resulting from a recall may be filled by an election held at the meeting. Only five (5) members, or one-third (1/3) of the Board, whichever is lesser, may be recalled in any ninety (90) day period

### **Section 7.8 Place of Meeting.**

All meetings of the Board may be held at any place within or without the state, which has been designated from time to time by resolution of the Board or by the written consent of all of the Board members. In the absence of such designation, meetings shall be held at the principal office of the corporation.

### **Section 7.9 Organization Meetings.**

Immediately following the annual meeting of the members, the count of written ballots for the election of Board members or any special meeting of the members at which Board members shall have been elected, if any, and not less than annually, the Board shall hold a regular meeting for the purpose of organizing the Board, the election of officers and the transaction of such business as may come before the meeting. Pending such organization meeting, all officers of the corporation shall hold over, except any officer required by law or these Bylaws to be a Board member and who does not qualify as a Board member. A Board member elected at such meeting of the members, if any, shall forthwith become a member of the Board for purposes of such organization. In the event such an organization meeting shall not be held immediately following such meeting of the members, it shall thereafter be held at the next regular meeting, or after a special meeting.

### **Section 7.10 Other Regular Meetings.**

The Board shall hold regular public meetings quarterly at a time and place set by the Board, annually. The Board shall conduct such business and take such action in open or closed session as it may determine to be necessary to accomplish the purposes of this corporation. Every act or decision taken by a majority of the Board present at a meeting duly called and held shall be considered an act or decision of the Board. Any interested person may attend any regular meeting of the Board, but will not be allowed the privilege of making, seconding or voting on motions. Such persons may participate in discussions at the discretion of the presiding Chairperson of the meeting.

### **Section 7.11 Special Meetings.**

Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson, or if he or she is absent, by the Vice Chairperson or by the Secretary upon the written request by four (4) or more Board members. Written notice of the time



and place of any special Board meeting shall be given to each Board member as hereinafter set forth in Section 7.12. Additional agenda items and purposes for the meeting may be added to the noticed purpose statement by a majority of the quorum of Board members present

### **Section 7.12 Notice of Meetings.**

Notice of the time and place of each meeting of the Board not fixed by an express provision of the Bylaws shall be given to each Board member not less than forty-eight (48) hours before the date of the meeting if given personally or by telephone or telegraph and not less than four (4) days before the date of the meeting if given by first-class mail.

### **Section 7.13 Consent to Meetings.**

The transactions of the Board at any meeting however called and noticed or wherever held, shall be as valid as though done at a meeting duly held after call and notice if a quorum be present and if either before or after the meeting each Board member not present signs a written waiver of notice, or a consent to the holding of such meeting or approval of the minutes thereof, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Board member. All such waivers, consents or approvals shall be tiled with the corporate records and made a part of the minutes of the meeting. ',

### **Section 7.14 Action Without Meeting.**

Any action required or permitted to be taken by the Board under any provision of the Nonprofit Public Benefit Corporation Law of the State of California may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be tiled with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Board members. Any certificate or other document filed under any provision of the Nonprofit Public Benefit Corporation Law of the State of California which relates to action so taken shall state that action was taken by unanimous written consent of the Board without a meeting, and that the Articles of Incorporation and Bylaws authorize the Board to so act. For the purpose of this section only, "all members of the Board" shall not include any "Interested Board Member" as defined in Section 7.21.

### **Section 7.15 Telephonic Meetings.**

Members of the Board may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting through the use of telephone or similar communications equipment shall constitute presence in person at such meeting.

### **Section 7.16 Quorum.**

Eight (8) members of the Board shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Board members 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 be required by law or by the Articles of Incorporation.

### **Section 7.17 Adjournment.**

A majority of the Board members present, whether or not a quorum is present, may adjourn any Board meeting to meet again at another time or place. In the event a meeting of the Board is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Board members who were not present at the time of the adjournment.

### **Section 7.18 Fees and Compensation.**

Board members shall not be compensated for serving on the Board. Board members and members of committees may receive such reimbursement for expenses as may be fixed or determined by prior resolution of the Board; provided, that such reimbursement shall be reasonable and shall be comparable to reimbursement paid by unaffiliated entities for a like position. Nothing herein shall be considered to preclude any Board member from serving the corporation in any other capacity, including as an officer, agent, employee or otherwise, and receiving compensation therefor.

### **Section 7.19 Nonliability of Board Members and Certain Officers.**

(a) Volunteer Board Members. Pursuant to Section 5239 of the Nonprofit Public Benefit Corporation Law of the State of California, there shall be no personal liability to a third party on the part of a volunteer Board member or volunteer Chairperson, Vice Chairperson, Secretary or Treasurer of this corporation caused by the Board member's or officer's negligent act or omission in the performance of that person's duties as a Board member or officer, if all the following conditions are met:

- (i) The act or omission was within the scope of the Board member's or officer's duties;
- (ii) The act or omission was performed in good faith;
- (iii) The act or omission was not reckless, wanton, intentional, or grossly negligent;
- (iv) The corporation has complied with the requirements of subsection (b) below.

This limitation on the personal Liability of a volunteer Board member or officer does not limit the liability of the corporation for any damages caused by acts or omissions of a volunteer Board member or volunteer officer, nor does it eliminate the liability of a Board member or officer provided in Section 5233 or 5247 of the Nonprofit Public Benefit Corporation Law of the State of California in any action or proceeding brought by the Attorney General.

(b) Requirement to Obtain Liability Insurance. In order to obtain the full benefit of the limitation of liability set forth in subsection (a) above, the corporation and the Board members shall make all reasonable efforts in good faith to obtain liability insurance in the form of a general liability policy for the corporation or a Board member's and officer's liability policy.

### **Section 7.20 Indemnity for Litigation.**

The corporation shall have and hereby agrees to exercise the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Board member, officer, employee or other agent (as defined in Section 5238 of the Nonprofit Public Benefit Corporation Law of the State of California) of the corporation, to the full extent allowed under the provisions of said Section 5238 relating to the power of a corporation to indemnify any such person. The amount of such indemnity shall be so much as the Board determines and finds to be reasonable, or, if required by said Section 5238, the amount of such indemnity shall be so much as the court determines and finds to be reasonable.

### **Section 7.21 Interested Persons.**

Pursuant to Section 5227 of the Nonprofit Public Benefit Corporation Law of the State of California, no more than forty-nine percent (49%) of the Board members serving on the Board may be "interested persons." For the purposes of this section, "interested persons" means either: (i) any person currently being compensated by the corporation or services rendered to it within the previous twelve (12) months whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Board member as a member of the Board; or (ii) 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. The provisions of this Section 7.21 shall not affect the validity or enforceability of any transaction entered into by the corporation.

### **Section 7.22 Standard of Conduct.**

Pursuant to Section 5231 of the Nonprofit Public Benefit Corporation Law of the State of California, a Board member shall perform the duties of a member of the Board, including duties as a member of any committee of the Board upon which the Board member may serve, in good faith, in a manner such Board member believes 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. In performing the duties of a member of the Board, a Board member shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more officers or employees of the corporation whom the Board member believes to be reliable and competent in the matters presented;
- (b) Counsel, independent accountants or other persons as to matters which the Board member believes to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the Board member does not serve, as to matters within its designate authority, which committee the Board member believes to merit confidence. Provided, that in any such case, the Board member acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

### **Section 7.23 Self-Dealing Transactions.**

Pursuant to Section 5233 and except as provided in Section 5233 of the Nonprofit Public Benefits Corporation Law of the State of California, the corporation shall not be a party to a transaction in which one or more of its Board members has a material financial interest ("Interested Board Member") unless:

(a) Approval by Attorney General. The Attorney General, or the court in an action which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

(b) Approval by Board. Prior to entering into the transaction, after full disclosure to the Board of all material facts as to the proposed transaction and the Interested Board Member's interest and investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Board members then in office (without including the vote of the Interested Board Member):

(i) Resolves and finds that (1) the transaction is in the corporation's best interests and for the corporation's own benefit, (2) the transaction is fair and reasonable as to the corporation, and (3) after reasonable investigation under the circumstances as to alternatives, the corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(ii) Approves the entire transaction; or

(c) Interim Approval by Authorized Committee or Person. If it is not reasonably practical to obtain approval of the Board prior to entering into such transaction, and, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in subsection (b) of this section, and the Board, after determining in good faith that the corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable to the corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Board members then in office, without counting the vote of the Interested Board Member. However, the Interested Board Member may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves or ratifies a contract or transaction.

## **8. ARTICLE VIII OFFICERS**

### **Section 8.1 Officers.**

The officers of this corporation shall be a Chairperson, Vice Chairperson, Secretary, Treasurer, and such other officers as the Board may appoint.

### **Section 8.2 Election.**

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 8.3 or 8.6 hereinafter, shall be chosen annually by the Board, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and

qualified.

### **Section 8.3 Subordinate Officers.**

The Board may appoint and may empower the Chairperson to appoint such other officers as the business of the corporation may require, each of whom shall hold office or such period, have such authority, and perform such duties as are provided in the Bylaws or as the Board may from time to time determine.

### **Section 8.4 Removal and Resignation.**

Subject to the limitations set forth in this Section, any officer may be removed, either with or without cause, by the Board at any regular or special meeting thereof, or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. Any officer may resign at any time by giving written notice to the Board, or to the Chairperson, or to the Secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

### **Section 8.5 Vacancies.**

A vacancy in any office, except for the Chairperson, because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board.

### **Section 8.6 Chairperson.**

The Chairperson shall be the principal officer of the Board and shall have general supervision, direction and control of the business and affairs of the corporation. The Chairperson shall preside at all meetings of the members and Board, shall serve as an ex officio member of all committees, and shall have such other powers and duties as may be prescribed from time to time by the Board.

### **Section 8.7 Vice Chairperson.**

The Vice Chairperson shall serve as the Chief Operating Officer of the corporation and shall be responsible for running the day-to-day operations and activities of the corporation. In the absence or disability of the Chairperson, the Vice Chairperson shall perform all of the duties of the Chairperson and in so acting shall have all the powers of the Chairperson. The Vice Chairperson shall have such other powers and duties as may be prescribed from time to time by the Board.

### **Section 8.8.**

*[Not present in 1991 document]*

### **Section 8.9 Secretary.**

The Secretary shall keep a full and complete record of the proceedings of the Board, shall keep the seal of the corporation and affix it to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of records of the corporation, shall deliver the annual statement required by Section 10.6 to the members, and shall have

such other powers and duties as may be prescribed from time to time by the Board, shall prepare the minutes of general and Board meetings and maintain attendance records, which shall include the names of all Board members present at each meeting and a current list of Board members which shall be made available upon request.

### **Section 8.10 Treasurer.**

The Treasurer shall receive and safely keep all funds of the corporation and deposit them with such depositories as may be designated by the Board. He or she shall disburse the funds of the corporation as may be ordered by the Board, shall render to the Chairperson and Board members, whenever they request it, an account of all his or her transactions as Treasurer, and of the financial condition of the corporation, shall serve as chairman of a committee identified in Section 9.1 as appointed by the Board, and shall have such other powers and duties as may be prescribed from time to time by the Board. All checks or orders for the payment of money issued in the name of the corporation shall be signed by such officers and in such a manner as shall from time to time be determined by a resolution of the Board. In the absence of such determinations by the Board, such instruments shall be signed by the Treasurer and the Chairperson or Vice Chairperson.

### **Section 8.11 Amendment.**

The offices of the corporation and the duties specified thereunder in this Article VIII may not be changed except by the amendment of these Bylaws in accordance with Article XI.

## **9. ARTICLE IX COMMITTEES**

### **Section 9.1 Appointment of Committees.**

The PMPO Board may appoint an Executive Committee (herein referred to as PMPO Executive Committee) or a sub-committee (herein referred to as PMPO Committee) as the PMPO Board from time to time deems necessary or appropriate, to conduct business and further the objectives of the Board.

The appointment of a PMPO Executive Committee shall be at the discretion of the PMPO Chairperson. The PMPO Executive Committee may act as a proxy to the PMPO Board within the guidelines set forth in the PMPO Executive Committee Charter (Section 9.3)

Upon formation of a PMPO Executive Committee the PMPO Chairperson shall notify the PMPO Board of the action including the following details:

- Purpose and Charter of the PMPO Executive Committee
- Chairperson of the PMPO Executive Committee
- Members of the PMPO Executive Committee
- Timing (Expected Duration of the PMPO Executive Committee)

A PMPO Executive Committee shall not have the power to levy dues and assessments, to select and remove all officers, agents, employees and contractors, and to fix reasonable compensation therefore, to authorize and empower officers or agents to enter into contracts and other commitments on behalf of the Board, all of these actions shall be by PMPO Board resolution. The appointment by the PMPO Board of a PMPO Executive Committee or PMPO Committee shall be by resolution adopted by a majority of PMPO Board members.

The PMPO Chairperson shall have the authority to form a PMPO Executive Committee or PMPO Committee between regularly scheduled PMPO Board meetings, without a majority vote of the PMPO Board, if there are time-sensitive issues (requiring action prior to the next scheduled PMPO Board meeting) that require immediate attention. In this instance, all members of the board shall be notified, in accordance with the PMPO Communications policies, of the proposed PMPO Committee and will be given 3 days to respond. In such instances where a majority of the responding PMPO Board members disagree with the proposed PMPO Committee, a special meeting will be called prior to the formation of the committee. Upon commissioning of a PMPO Executive Committee or PMPO Committee, the PMPO Board will designate that committee as either "Internal" or "External"; Internal being chartered to address Administrative, Organizational and Secretarial items for the PMPO Board External being chartered to address items which have a "direct impact" to the Palomar Mountain Community at large.

### **Section 9.2 Committee Member Formation**

The PMPO Executive Committee or PMPO Committee shall consist of two (2) or more members of the PMPO Board plus other eligible voters as defined in section 5.2 of the PMPO By Laws. The Chairperson of the PMPO shall appoint a Chairperson for the PMPO Executive Committee or PMPO Committee, from one of the members of the PMPO Board. The membership of the PMPO Executive Committee or PMPO committee shall be named by the PMPO Board and by resolution adopted by a majority of PMPO Board members. All members of the PMPO Executive Committee or PMPO Committee have equal voting rights on the committee. The PMPO Executive Committee or PMPO Committee, by majority vote, may include noncommittee members in committee activities for specific tasks, information gathering or specialist knowledge; these individuals do not have voting rights on the committee.

### **Section 9.3 Committee Charter**

The PMPO Board, via the PMPO chairperson, shall provide the Chairperson of the PMPO Executive Committee or PMPO Committee with a clear and measurable charter. The PMPO Committee Chairperson shall be responsible for developing and executing action plans and timelines to deliver on this charter.

### **Section 9.4 Operating Procedures of the PMPO Committee.**

The PMPO Executive Committee or PMPO Committee shall operate under the charter provided by the PMPO Board. All communications from the PMPO Committee shall be directed to the PMPO Board members and chairperson. All communications representing the PMPO and/or the PMPO Committee shall be directed to the PMPO Board for approval and dissemination at the PMPO Board's direction. Communications from the PMPO Executive Committee may be directed to External Parties at the discretion of the PMPO Executive Committee Chairperson. All PMPO Board Members shall be copied on such correspondence. Issues voted on by the PMPO Committee will be passed or not passed based on a majority vote

by a quorum of eligible voters. A Quorum shall be defined as a minimum of 50% of that PMPO Committees member.

In the event of a PMPO Executive Committee Member or PMPO Committee Member having a dissenting view point from the majority decision of the committee that Board Member may prepare and present a written point of view to the Board at the next Board Meeting. This presentation shall be an agenda item on the PMPO Board Meeting Agenda

All PMPO Executive Committee or PMPO Committee meetings shall be documented and the minutes distributed to the committee members and the Chairperson of the PMPO in a timely manner (within 14 days of the meeting). All committee documents and artifacts shall be posted to the PMPO archives.

Committees designated as "External" shall communicate meeting date, time and place to the PMPO Board and eligible voters, in accordance with the PMPO Meeting Communication guidelines.

## **Section 9.5 Dissolution of Committees**

The PMPO Executive Committee or PMPO Board may dissolve any PMPO Committee as the Board deems appropriate, by resolution adopted by a majority of PMPO Board members.

# **10. ARTICLE X MISCELLANEOUS**

## **Section 10.1 Fiscal Year.**

The fiscal year of the corporation shall end on the last day of December of each year.

## **Section 10.2 Inspection of Corporate Records.**

The books of account and minutes of the proceedings of members and Board, and of any Executive Committee or other committees of the Board, shall be open to inspection at any reasonable time upon the written demand of the members. Such inspection may be made in person or by an agent or attorney, and shall include the right to make photocopies and extracts.

## **Section 10.3 Representation of Shares of Other Corporations.**

The Chairperson or any Vice Chairperson and the Secretary or any Assistant Secretary of the corporation are authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted to said officers may be exercised by such officers in person or by other persons authorized to do so by proxy duly executed by such officers.

## **Section 10.4 Checks, Drafts, Etc.**

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the corporation and any and all securities owned by or held by the corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board.



### **Section 10.5 Execution of Contracts.**

The Board, except as in the Bylaws otherwise provided, may authorize any officer, or officers, agent, or agents, to enter into any contract or execute any contract (including the administrative and management services agreement referenced in Section 7.1) or execute any instrument in the name of and on behalf of the corporation and such authority may be general or confirmed to specific instances and unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount. Provided, that pursuant to Section 5214 of the Nonprofit Public Benefit Corporation Law of the State of California, any such contract or instrument between the corporation and any third person, when signed by the Chairperson or any Vice Chairperson and the Secretary- Treasurer or any Assistant Secretary- Treasurer of the corporation, shall be valid and binding upon the corporation in the absence of actual knowledge on the part of said third person that the signing officers had no authority to execute the same.

### **Section 10.6 Annual Report - When Required.**

As long as the corporation has more than 100 members or \$10,000 in assets at any time during the year, the Board shall cause an annual report to be sent to the members not later than one hundred twenty (120) days after the close of the corporation's fiscal year. Such reports shall contain in appropriate detail the following:

- (a) The assets and liabilities, including trust funds, of the corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (c) The revenues or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.
- (e) Any information required by Section 10.7 of these Bylaws.

### **Section 10.7 Annual Statement of Certain Transactions and Indemnifications.**

Pursuant to Section 6322 of the Nonprofit Public Benefit Corporation Law of the State of California, the Board shall cause an annual statement of certain transactions and indemnifications to be sent to its members and to the Board members not later than one hundred twenty (120) days after the close of the fiscal year. If the corporation issues an annual report to the members, this requirement shall be satisfied by including the required information, as set forth below, in said annual report, Such annual statement shall describe:

- (a) The amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year of the corporation to any officer or Board member of the corporation; provided, that no such report need be made in the case of indemnification approved by the members; and
- (b) Any "covered transaction" (defined below) during the previous fiscal year of the corporation involving (1) more than Fifty Thousand Dollars (\$50,000) or, (2)

which was one of a number of "covered transactions" in which the same "interested person" (defined below) had a direct or indirect material financial interest, and which transactions in the aggregate involved more than Fifty Thousand Dollars (\$50,000). The statement shall describe the names of any "interested persons" involved in such covered transactions, including such "interested persons" relationship to the transaction, and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which the "interested person" is only a partner, only the interest of the partnership need be stated. For the purposes of this section, a "covered transaction" is a transaction in which the corporation, or its parent or subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

(i) Any Board member or officer of the corporation, or its parent or subsidiary; or

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

For purposes of this section, any person described in either subparagraph (i) or (ii) above is an "interested person."

### **Section 10.8 Corporate Loans, Guarantees and Advances.**

The corporation shall not make any loan of money or property to or guarantee the obligation of any Board member or officer, or member upon the security of its membership in the corporation, except as is expressly allowed under the Nonprofit Public Benefit Corporation Law of the State of California Section 5236.

### **Section 10.9 Public Inspection and Disclosure.**

The corporation shall have available for public inspection at its principal office a copy of its three most recent annual exempt organization information returns and a copy of its application for recognition of exemption. In addition, in the event that the corporation provides services or information to the public for a fee, and such services or information are available from the federal government free of charge or for a nominal cost, such availability shall be conspicuously disclosed in an easily recognizable format in any solicitation or offer by the corporation.

### **Section 10.10 Political Activities.**

The corporation shall refrain from any intervention in any political campaign on behalf of, or in opposition to, a candidate. The corporation shall not make any political expenditure or lobbying expenditure which will result in the loss of, or otherwise adversely affect, its status as a tax-exempt organization under the Internal Revenue Code of 1986, as amended.

## **11. ARTICLE XI EFFECTIVE DATE AND AMENDMENTS**

### **Section 11.1 Effective Date.**

These Bylaws shall become effective immediately upon their adoption. Amendments to

these Bylaws shall become effective immediately upon their adoption unless the Board or members of the corporation in adopting them provide that they are to become effective at a later date.

### **Section 11.2 Amendments.**

These Bylaws may be amended or repealed and new Bylaws adopted by the vote of the majority of the members of the Board then in office upon proper notice, unless the action would materially and adversely affect the rights of the members of the corporation as to voting; except that Bylaws affecting the following may be adopted, amended or repealed only by the members of the corporation by an affirmative vote, or by written ballot pursuant to Section 6.7:

- (a) A Bylaw specifying or changing a fixed number of Board members;
- (b) A Bylaw changing from a fixed to a variable Board or vice versa;
- (c) A Bylaw increasing the term of office of Board members;
- (d) A Bylaw increasing the quorum of members;
- (e) A Bylaw repealing, restricting, creating or expanding proxy rights; and
- (f) A Bylaw repealing or amending Section 8.11.

## **12. ARTICLE XII PARLIAMENTARY REFERENCE**

### **Section 12.1 Robert's Rules of Order.**

Robert's Rules of Order (revised) shall govern this corporation in all cases in which they are applicable and not inconsistent with these Bylaws.

## **CERTIFICATE OF SECRETARY**

I certify that:

1. I am the Secretary of PALOMAR MOUNTAIN PLANNING ORGANIZATION.
2. The attached Bylaws are the Bylaws of the corporation approved by the Board of Directors at a meeting held on February 16, 1991.

Executed effective April 5, 1991.

(signed) CINDY M. LYTHGOE, Secretary

*This HTML version of the PMPO by-laws was prepared by Michael Pique, 11 September 2009*

### Change Log

File	Description	Owner	Role	Date
PMPO_Bylaws_1991_v20090911.pdf	Original Document	Cindy M Lythgoe	Secretary	April 5 <sup>th</sup> , 1991
PMPO_Bylaws_2010_v20100529.pdf	Change to Article	Mike	PMPO	May 29 <sup>th</sup> ,

	9, approved at 5/29/10 Annual Meeting	Chesney	Information Officer	2010
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