

**BYLAWS OF**  
**Bikes del Pueblo**

**A California Nonprofit Public Benefit Corporation**

**PREAMBLE**

These Bylaws are subject to, and governed by, California Non-Profit Public Benefit Corporation Law (the “Law”) and the Articles of Incorporation of Bikes del Pueblo. In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of the Law, the California Non-Profit Public Benefit Corporation Law will be controlling. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of Bikes del Pueblo, these Bylaws will be controlling.

**ARTICLE I**  
**NAME**

**SECTION 1: CORPORATE NAME**

The name of this corporation is Bikes del Pueblo.

**ARTICLE II**  
**CONSTRUCTION**

**SECTION 1: DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without otherwise altering the meaning of the language herein, the masculine gender shall include the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

**ARTICLE III**  
**OFFICES**

**SECTION 1: PRINCIPAL OFFICE**

The initial principal office for the transaction of the activities and affairs of Bikes del Pueblo is located at 4257 Menlo Avenue San Diego, California 92115.

**SECTION 2: CHANGE OF ADDRESS**

The Board of Directors may at any time, or from time to time, change the location of the

principal office from one location to another within the county of San Diego by noting the changed address and effective date below. Such changes of address shall not be deemed an amendment of these Bylaws. The county of Bike del Pueblo's principal office may be changed only by amendment of these Bylaws and not otherwise.

New Address: \_\_\_\_\_

Dated: \_\_\_\_\_

### **SECTION 3: OTHER OFFICES**

A branch or subordinate office may be established at any place or places where Bikes del Pueblo is qualified to do business, as the Board of Directors may designate or as corporate business may require.

## **ARTICLE IV PURPOSE**

Bikes del Pueblo is a nonprofit public benefit corporation and is not organized for the private gain of any person. Bikes del Pueblo is organized under the Nonprofit Public Benefit Corporation Law exclusively for charitable and educational purposes within the meaning of Sections 501(c)(3), 170(c)(2)(B) and 2055(a)(2) of the Internal Revenue Code of 1986, as amended, or any corresponding section of any future federal tax code.

As stated in the Articles of Incorporation, the general purpose of Bikes del Pueblo is to have and exercise all the rights and powers conferred on nonprofit corporations under the laws of California provided that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of Bikes del Pueblo. Also in the context of these general purposes, Bikes del Pueblo shall:

- a) Provide access to affordable and sustainable bicycling opportunities and repair services to the community;
- b) Promote bicycling as a healthy, practical and sustainable mode of transportation to the community;
- c) Empower local communities through bicycle education for mechanical and transportation self-sufficiency;
- d) Providing a safe space for all individuals, regardless of one's age, sex, race, religion or sexual orientation, to learn about repairing, maintaining, building, and using bicycles;
- e) Strive to maintain and prioritize working relationships with residents and organizations in local San Diego communities to raise awareness about the healthy, environmentally friendly and practical means of bicycling;

- f) Carrying out such other activities as the Board of Directors determines will benefit and support Bikes del Pueblo.

**ARTICLE V  
NONPARTISAN ACTIVITIES**

Bikes del Pueblo is a corporation that has been formed under the California Nonprofit Public Benefit Corporation Law for the charitable and educational purposes described. No substantial part of the activities of Bikes del Pueblo shall consist of the carrying on of propaganda or otherwise attempting to influence legislation. Bikes del Pueblo shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

**ARTICLE VI  
IRREVOCABLE DEDICATION OF ASSETS**

The assets of Bikes del Pueblo are irrevocably dedicated to charitable and educational purposes as provided by law. 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 to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code Section 501(c)(3).

**ARTICLE VII  
MEMBERSHIP**

**SECTION 1: MEMBERS**

Bikes del Pueblo shall have non-voting members within the meaning of Section 5056 of the California Non-Profit Public Benefit Corporation Law. Bikes del Pueblo may from time to time use the term “members” to refer to persons associated with it, but such persons shall not be members within the meaning of such section.

**ARTICLE VIII  
DIRECTORS**

**SECTION 1: GENERAL POWERS OF THE BOARD**

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the business and affairs of Bikes del Pueblo shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. The Board of Directors may delegate the

management of the day-to-day operation of the business of Bikes del Pueblo to a management company, committee, officer, or other person, provided that the affairs and activities of Bikes del Pueblo are exercised under the ultimate direction of the Board of Directors.

## **SECTION 2: SPECIFIC POWERS OF THE BOARD**

Without prejudice to the general powers set forth in Article VIII, Section 1 of these Bylaws, but subject to the same limitations, the Board shall have the power to do the following:

- a) Appoint and remove all corporate officers, agents and employees; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service;
- b) Conduct, manage, and control Bikes del Pueblo's temporal affairs and activities and make such rules and regulations for this purpose consistent with law, the Articles of Incorporation and these Bylaws as the Board deems best;
- c) Borrow money and incur indebtedness on behalf of Bikes del Pueblo and cause to be executed and delivered for the corporation's purposes, in the corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities;
- d) Adopt and use a corporate seal, and alter the form of the seal; and
- e) Any other powers as required by the Law, the Articles of Incorporation, and these Bylaws.

## **SECTION 3: DUTIES OF THE BOARD**

Directors shall have the following duties:

- a) Actively participate in fundraising and community outreach;
- b) Perform any and all duties imposed on them collectively or individually by law, the Articles of Incorporation and these Bylaws;
- c) Attend Board meetings; and
- d) Keep the secretary informed of their current contact information, including but not limited to, email addresses and mailing addresses.

## **SECTION 4: NUMBER AND QUALIFICATIONS OF DIRECTORS**

The Board of Directors shall consist of at least three (3) but no more than twenty-five (25) directors, unless changed by amendment to these Bylaws. The Board of Directors shall fix the exact number of directors from time to time and at the time of Board election, within these limits.

Directors must be at least 18 years of age. Board members are selected for the skills they possess based on Board directed need and planned growth. Board members shall represent the demographic population of the communities that Bikes del Pueblo serves. Bikes del Pueblo intends that the Board of Directors shall collectively represent a

diversity of relevant backgrounds and skills to enable the Board of Directors to make informed, well-balanced decisions on the economic viability and social impact of corporate activities.

#### **SECTION 5: INTERESTED PERSONS AS DIRECTORS**

No more than 49 percent (49%) of the persons serving on the Board of Directors may be “interested persons”. For purposes of this section, “interested persons,” means either:

- a) Any person compensated by Bikes del Pueblo for services rendered to it within the previous 12 months, whether as a full-time or part time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as a director on the Board;
- b) 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 such person;
- c) Any director, principal officer, member of a committee with governing Board delegated powers, or any other person who is a “disqualified person” as defined in Section 4958(f)(1) of the Internal Regulation Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined in the Conflict of Interest Policy.

#### **SECTION 6: ELECTION AND TERM OF OFFICE OF DIRECTORS**

The initial Board of Directors shall be chosen by the incorporator and shall serve until their successors have been elected and seated at the first general meeting of the Board of Directors. Except for the initial directors, the Board of Directors shall elect the Board.

Thereafter, all directors shall be elected by the Board of Directors at a general meeting held prior to the closing of office term. Each director shall hold office for a term of two (2) years and until a successor director is elected and qualified. There shall be no limit on the number of terms a director may serve.

#### **SECTION 7: NOMINATIONS**

When a meeting is held for the election of the Board of Directors, any director present at the meeting may place names in nomination.

#### **SECTION 8: NOMINEE’S RIGHT TO SOLICIT VOTES**

The Board of Directors shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to the Board of Directors the nominee’s qualifications and the reasons for the nominee’s candidacy as well as a reasonable opportunity for all members to choose among all the nominees.

#### **SECTION 9: REMOVAL**

A director may be removed from the Board, with or without cause, by a unanimous vote of the Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and notice of the Request for Removal are given as provided in Article VIII, Section 10. Any vacancy caused by the removal of a

director shall be filled as provided in Article VIII, Section 12.

#### **SECTION 10: NOTICE FOR REMOVAL**

A request to remove a member of the Board must be stated in writing, by another Board member, and be placed on the agenda for either the next regular Board meeting or a special Board meeting called for the purpose of the removal. The affected member shall be invited to attend this meeting and be given the opportunity to answer the Request for Removal; however, she/he shall not be present for the vote regarding his/her removal.

#### **SECTION 11: RESIGNATION**

Except as provided in this paragraph, any director may resign effective upon giving one (1) month written notice to the President and Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for resignation to become effective. In the event a later date for resignation is specified, the Board may, at its discretion, elect for resignation to be effective on the date the Board became aware of the director's intent to resign. If the Board allows a director's resignation to be effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. No director may resign when the corporation would be left without a duly elected director or directors.

#### **SECTION 12: VACANCIES**

A vacancy or vacancies on the Board of Directors shall occur in the event of:

- a) The death, removal, or resignation of any director;
- b) The declaration by Board resolution of a vacancy in the office of a director who has been deemed of unsound mind by a court order, or found by a final order or judgment of any court to have breached a duty under Sections 5230 et seq. of the California Corporations Code;
- c) The removal of a director for fraudulent acts in an action in Superior Court under Corporations Code Section 9223;
- d) The increase in the authorized number of directors; or
- e) The failure of the Board of Directors, at any meeting at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

Vacancies on the Board may be filled by vote of a majority of directors then in office, whether or not the number of directors then in office is less than quorum, or by vote of a sole remaining director. The newly elected Board member shall hold office until expiration of the term for which elected and until a successor is elected and qualified.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

#### **SECTION 13: ANNUAL MEETINGS**

The Board of Directors shall hold an annual meeting in January of each year for the

purpose of electing directors and officers of the corporation. Notice of the annual meeting shall be given in the manner set forth in Article VIII, Section 15.

#### **SECTION 14: REGULAR MEETINGS**

The Board may hold a regular meeting, in addition to the annual meeting, in each fiscal year for purposes of organization and transaction of other business. Such regular meetings shall be held at such times as are fixed by the Board of Directors. Notice of regular meetings shall be given in the manner set forth in Article VIII, Section 15.

#### **SECTION 15: NOTICE OF ANNUAL AND REGULAR MEETINGS**

Notice of each regular or annual meeting of the Board of Directors shall be given by the President to each Board member. Notice of the date, time, and place of meetings shall be delivered personally or communicated to each director via U.S. mail, facsimile, or electronic mail at least ten (10) days prior to the meeting date. The notice need not specify the purpose of the meeting. The notice shall be provided to all directors in writing and shall be sent to each director's home address, work address, and/or email address as shown on the corporate records.

#### **SECTION 16: SPECIAL MEETINGS**

Any director on the Board may call special meetings of the Board of Directors for any purpose at any time. Notice of special meetings shall be given in the manner set forth in Article VIII, Section 17.

#### **SECTION 17: NOTICE OF SPECIAL MEETINGS**

All Board members shall be notified of any special meeting including the meeting date, time, place, and the purpose of the special meeting at least twenty-four (24) hours to the special meeting date. Notice shall be given to each director via personal delivery of written notice, first-class mail, postage prepaid, telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, electronic mail or any other electronic means approved by the Board. All such notices shall be given or sent to the director's address or telephone number as shown on the corporation's records.

#### **SECTION 18: WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS**

Notice of any meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. All 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 to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

#### **SECTION 19: LOCATION OF BOARD MEETINGS**

Meetings of the Board shall be held at any place within or outside the state of California that has been designated by resolution of the Board of Directors, any place in the notice

of the meeting, or if not so designated, at the principal office of Bikes del Pueblo.

#### **SECTION 20: MEETINGS BY TELECOMMUNICATION**

Any Board meeting may be held by telephone-conference, video screen communication, or any other communications equipment. Participation in a meeting under this section shall constitute presence in person at the meeting if both of the following apply:

- a) Each Board member participating in the meeting can communicate concurrently with all other members.
- b) Each member is provided the means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to, a specific action to be taken by the Board.

#### **SECTION 21: QUORUM FOR MEETINGS**

A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors, if any action taken or decision made is approved by at least a disinterested majority of the required quorum for that meeting.

In the absence of a quorum at a regular or special meeting, the President is authorized to poll Board members by telephone. A reasonable effort must be made to achieve a quorum by telephone.

#### **SECTION 22: DIRECTOR VOTING**

Each director shall have one vote per matter presented to the Board of Director for purposes of voting. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall constitute action of the Board. Directors may not vote by proxy.

#### **SECTION 23: ADJOURNMENT**

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting 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 directors who were not present at the time of the adjournment. Such notice may be waived in the manner provided for in Article VIII, Section 18.

#### **SECTION 24: ACTION WITHOUT A MEETING**

Any action required or permitted by the Board of Directors may be taken without a meeting if all directors of the Board shall individually or collectively consent in writing to such action. Such written consent or consents must be filed with the minutes of the proceedings of the Board. Action by written consent has the same force and effect as a unanimous vote of the directors. For purposes of this section only, "all members of the



Board” does not include any “interested directors” as defined in Section 5233 of California Non-Profit Benefit Corporations Law.

### **SECTION 25: DIRECTOR COMPENSATION**

Directors may receive such compensation, if any, for their services as directors and reimbursement of actual expenses incurred by a director in carrying out his or her duties including advances as provided in Article XII, Section 4 as the Board may establish by resolution to be just and reasonable as to Bikes del Pueblo at the time that the resolution is adopted.

## **ARTICLE IX COMMITTEES**

### **SECTION 1: COMMITTEES OF DIRECTORS**

The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, create one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. Each such committee shall consist of two (2) or more directors to serve at the pleasure of the Board. The Board of Directors may designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

- a) Fill vacancies on, or remove the members of the Board of Directors or in any committee that has the authority of the Board of Directors;
- b) Fix compensation of the directors for serving on the Board or on any committee;
- c) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws;
- d) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;
- e) Appoint any other committees of the Board of Directors;
- 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 special approval is provided for in Section 5233(d)(3) of the Law.

### **SECTION 2: ALTERNATE COMMITTEE MEMBERS**

The Board may designate one or more alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present.

### **SECTION 3: MEETINGS AND ACTIONS OF COMMITTEES**

Meeting and actions of all committees shall be governed by, held and taken in accordance with, the provisions of Article VIII of these Bylaws, concerning meetings and actions of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that

the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors.

Notice of all special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the government of any committee.

## **ARTICLE X OFFICERS**

### **SECTION 1: NUMBER OF OFFICERS**

The officers of Bikes del Pueblo shall consist of a President, a Secretary and a Treasurer. Bikes del Pueblo, at the Board's discretion, may also have any such other offices as the Board may designate by resolution. The same person may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as the President.

### **SECTION 2: APPOINTMENT OF OFFICERS**

The Board of Directors may appoint and authorize the President to appoint any other officers that Bikes del Pueblo may require. Each appointed officer shall have the title, authority, term of office, and obligation to perform the duties specified in these Bylaws or as established through resolution of the Board, subject to the rights, if any, of any officer under any contract of employment.

### **SECTION 3: ELECTION OF OFFICERS**

The officers of Bikes del Pueblo, except any appointed under Article X, Section 2 of these Bylaws, shall be chosen annually by the Board of Directors and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment.

### **SECTION 4: REMOVAL OF OFFICERS**

Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer, with or without cause. Any other officer on whom the Board confers the power of removal may remove an officer, who was not chosen by the Board.

### **SECTION 5: RESIGNATION OF OFFICERS**

Except as provided in this paragraph, any officer may resign effective upon giving one (1) month written notice to the President of Bikes del Pueblo, without prejudice, however, to the rights, if any, of Bikes del Pueblo under any contract to which such officer is a party. The resignation shall be effective when the notice is given unless it specifies a later time for resignation to become effective. In the event a later date for

resignation is specified, the Board may, at its discretion, elect for resignation to be effective on the date the Board became aware of such officer's intent to resign.

#### **SECTION 6: VACANCIES**

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

#### **SECTION 7: OFFICER COMPENSATION**

The compensation, if any, of the officers shall be fixed or determined pursuant to the "Conflict of Interest and Compensation Approval Policies" provided hereto as **Attachment A**, Section 5.

#### **SECTION 8: GENERAL DUTIES OF OFFICERS**

In addition to the duties specified in this Article X, officers shall perform all other duties customarily incident to their office and such other duties as may be required by the Law, by the Articles of Incorporation or by these Bylaws, subject to control of the Board of Directors. Officers shall perform such additional duties, as the Board of Directors shall from time to time assign.

#### **SECTION 9: DUTIES OF PRESIDENT**

The President shall, when present, preside at all meetings of the Board of Directors. The President is authorized to execute, in the name of Bikes del Pueblo, all contracts and other documents authorized either generally or specifically by the Board to be executed by Bikes del Pueblo. Subject to the control, advice and consent of the Board of Directors, the President shall supervise and manage the day-to-day operations of Bikes del Pueblo. Other duties of the President shall include, but are not limited to:

- a) Supervising, directing, and controlling the corporation's activities, affairs, and officers;
- b) Preside, when present, at all meetings of the Board of Directors;
- c) Keeping the Board of Directors fully informed and freely consulting with them concerning the activities of the corporation;
- d) See that all orders and resolutions of the Board are carried into effect;
- e) Maintain the responsibility of hiring and firing of all personnel, keeping the Board informed at all times of staff performance, and for implementing any personnel policies adopted by the Board of Directors;
- f) Contract, receive, deposit, disburse, and account for funds of Bikes del Pueblo;
- g) Execution of all contracts and other documents authorized either generally or specially by the Board to be executed on behalf of Bikes del Pueblo; and
- h) Negotiate all material business transactions of Bikes del Pueblo.

#### **SECTION 10: DUTIES OF SECRETARY**

The Secretary shall be custodian of all records and documents of Bikes del Pueblo that is to be kept at the principal office of the corporation. Other duties of the Secretary shall include, but are not limited to:

1. Act as Secretary of all meetings of the Board of Directors;
2. Keep the minutes of all such meetings in books proposed for that purpose;
3. Attend to the giving and serving of all notices of Bikes del Pueblo;
4. See that the seal of Bikes del Pueblo is affixed to all documents, the execution of which on behalf of Bikes del Pueblo under its seal is duly authorized in accordance with the provisions of these Bylaws.

#### **SECTION 11: DUTIES OF TREASURER**

The Treasurer shall keep and maintain adequate and correct accounts of the properties and business transactions of Bikes del Pueblo, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retaining earnings, and other matters customarily included in financial statements. Other duties of the Treasurer shall include, but are not limited to:

- a) Deposit or cause to be deposited all monies and other valuables in the name and to the credit of Bikes del Pueblo with such depositories as may be designated by the Board of Directors;
- b) Disburse or cause to be disbursed the funds of Bikes del Pueblo as may be ordered by the Board of Directors; and
- c) Render an account of all of the Treasurer's actions and of the financial condition of Bikes del Pueblo when requested by a director and/or officer and such request is authorized.

### **ARTICLE XI OTHER STAFF AND EMPLOYEES**

#### **SECTION 1: STAFF AND OTHER EMPLOYEES**

The Board of Directors may establish additional staff positions, with recommendations from the President, based on the requirements of the organization to fulfill its mandate. The Board shall prepare and approve all job descriptions for such position. The President shall be responsible for recruiting, interviewing, and hiring all staff of Bikes del Pueblo. The President will directly supervise the staff.

### **XII STANDARD OF CARE**

#### **SECTION 1: GENERAL**

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. These duties shall be performed in good faith, in a manner such director believes to be in the best interest of Bikes del Pueblo and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under the circumstances.

In performing the duties of a director, a director 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 director believes to be reliable and competent in the matters presented;
- b) Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or
- c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as in any such case, the director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in the "Conflict of Interest and Compensation Approval Policies" found within **Attachment A** attached hereto, a person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public, educational or charitable purpose to which Bikes del Pueblo, or assets held by it, are dedicated.

## **SECTION 2: INDEMNIFICATION OF CORPORATE AGENTS**

To the extent that a person who is, or was, a director, officer, employee, or other agent of Bikes del Pueblo has been successful on the merits in defense of any civil, criminal, administrative, or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue, or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding. If such person either settles any such claim or sustains a judgment against him or her, Bikes del Pueblo shall provide indemnification against expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings, but only to the extent allowed by, and in accordance with the requirements of Section 5238 of the Law.

On written request to the Board by any person seeking indemnification under Section 5238(b) and/or Section 5238(c) of the Law, the Board shall promptly decide under Section 5238(e) whether the applicable standard of conduct set forth in such sections 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 prevents the formation of a quorum of directors who are not parties to that proceeding, the Board shall have the authority to take action through a vote of a majority of disinterested and independent

directors.

### **SECTION 3: INSURANCE FOR CORPORATE AGENTS**

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of Bikes del Pueblo against any liability excluding violations of law relating to self-dealing, as set forth in Section 5233 of the Law, asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the Law.

### **SECTION 4: LOANS TO CORPORATE AGENTS**

Bikes del Pueblo shall not lend any money or property to, or guarantee the obligation of, any director, officer or other agent of the corporation unless (1) the Board decides that the loan or guaranty may reasonably be expected to benefit the corporation, and (2) before consummating the transaction or any part of it, the loan or guaranty is approved by a majority vote of independent and disinterested directors then in office, without counting the vote of a director who is to receive the loan or guaranty.

However, Bikes del Pueblo shall have the power to advance money to a director, officer or other agent of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses pursuant to Article VIII, Section 25 of these Bylaws.

## **ARTICLE XIII EXECUTION OF CORPORATE INSTRUMENTS**

### **SECTION 1: DESIGNATION OF AUTHORITY**

The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, the Articles of Incorporation, or these Bylaws and such execution or signature shall be binding upon the corporation. Unless so authorized by resolution, no officer, agent or employee shall have any power or authority to bind Bikes del Pueblo by any contract or engagement or to pledge its credit by rendering it liable monetarily for any purport or in any amount.

### **SECTION 2: EXECUTION OF CORPORATE DOCUMENT**

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of Bikes del Pueblo, promissory notes, deeds of trust, mortgages, other evidences of indebtedness of Bikes del Pueblo, corporate instruments or documents, memberships in other corporations, and certificates of shares of stock owned by Bikes del Pueblo shall be executed, signed or endorsed by any agents of Bikes del Pueblo that has signatory authority as approved and designated by resolution of the Board of Directors, the Articles of Incorporation, or these Bylaws.

**A. Disbursements and Payments:** All checks, drafts, promissory notes or other orders for the payment of money, notes, or other evidences of indebtedness shall be signed by the Treasurer or other person or persons as the Board of Directors shall authorize to do so.

**B. Deposits:** All funds of Bikes del Pueblo shall be deposited upon receipt to the corporate bank account for Bikes del Pueblo that the Board of Directors so designates.

### **SECTION 3: LOANS AND CONTRACTS**

No loans or advances shall be contracted on behalf of Bikes del Pueblo and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no officer or other agent of Bikes del Pueblo may enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation.

## **ARTICLE XIV CORPORATE RECORDS AND REPORTS**

### **SECTION 1: MAINTENANCE OF CORPORATE RECORDS**

The corporation shall keep at a place or places designated by the Board of Directors, or, in the absence of such designation, at the principal office of Bikes del Pueblo in the State of California:

- a) Minutes of the proceedings of all meetings of directors and committees of the Board;
- b) Adequate and correct books and records of accounts, including accounts of its properties, business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- c) A copy of its federal tax exemption application and its annual information returns for three years from the date of filing;
- d) The original or a copy of the corporation's Articles of Incorporation and Bylaws as amended to date; and
- e) A record of each member's name, address and officer or position held.

The minutes and other books and records shall be kept either in a written form or in any other form capable of being converted into clearly legible and tangible form or in any combination of the two.

### **SECTION 2: INSPECTION RIGHTS**

Every director shall have the right, for reasons pertinent to their duties as a director, at any reasonable time to inspect and copy all books, records, and documents of every kind

and to inspect the physical properties of the corporation. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extract of documents.

### **SECTION 3: ANNUAL REPORT**

The Board of Directors shall cause an annual report to be sent by mail, personal delivery, or by electronic transmission, to all directors then on the Board within 120 days after the end of Bike del Pueblo's fiscal year. That report shall contain the following:

- 1) The assets and liabilities, including trust funds, if any, of this corporation as of the end of the fiscal year;
- 2) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- 3) The revenues or receipts for both general and restricted purposes during the fiscal year;
- 4) The expenses or disbursements for both general and restricted purposes during the fiscal year; and
- 5) The information required by Section 6322 of the Law concerning self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

The report shall be accompanied by any pertinent report of independent accountants, or, if there is no such report, the certificate of an authorized officer that such statement were prepared without audit from the books and records of Bike del Pueblo.

### **ARTICLE XV FISCAL YEAR**

The fiscal year of Bike del Pueblo shall begin on the 1st of January and end on the last day of December in each year.

### **ARTICLE XVI CONFLICT OF INTEREST**

All Board members and directors of the corporation shall follow and abide by Bike del Pueblo' conflict of interest policy. The conflict of interest policy is attached as **Attachment A.**

### **ARTICLE XVII AMENDMENT OF BYLAWS**

These Bylaws may be adopted, amended or repealed by a majority vote of the Board of Directors. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed bylaw



revisions, with explanations therefore, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.

**ARTICLE XVIII  
AMENDMENT OF ARTICLES**

Bikes del Pueblo shall not amend its Articles of Incorporation to alter the names and addresses of the first directors of Bikes del Pueblo, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a "Statement by a Domestic Nonprofit Corporation" pursuant to Section 6210 of the Law. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed correction or revisions of the Articles of Incorporation, with explanations therefore, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws. If an amendment has been made, a certificate of amendment must be filed with the Secretary of State.

**WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS**

We, the undersigned, are all of the persons acting as the initial directors of Bikes del Pueblo, a California nonprofit public benefit corporation, and, pursuant to the authority granted to the directors by these Bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing Bylaws, consisting of 17 pages, as the Bylaws of Bikes del Pueblo.

Dated: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, *President*

\_\_\_\_\_

\_\_\_\_\_, *Secretary*

\_\_\_\_\_

\_\_\_\_\_, *Treasurer*

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the Bylaws of Bikes del Pueblo and such Bylaws were duly adopted by the Board of Directors on the date set forth below.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_, Secretary  
(Print)

## Attachment A

### Bikes del Pueblo Conflict of Interest and Compensation Approval Policies

#### SECTION 1: PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### SECTION 2: DEFINITIONS

- a. Interested Person.** Any director, principal officer, member of a committee with governing Board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
  - 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
  - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.
  - 4. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
  - 5. A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists.

#### SECTION 3: CONFLICT OF INTEREST AVOIDANCE PROCEDURES

- a. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing Board delegated powers considering the proposed transaction or arrangement.

**b. Determining Whether a Conflict of Interest Exists.**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

**c. Procedures for Addressing the Conflict of Interest.**

An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing Board or committee shall determine whether the corporation can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

**d. Violations of the Conflicts of Interest Policy.**

If the governing Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall

take appropriate disciplinary and corrective action.

#### **SECTION 4: RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS**

The minutes of meetings of the governing Board and all committees with Board delegated powers shall contain:

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

#### **SECTION 5: COMPENSATION APPROVAL POLICIES**

A voting member of the governing Board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the Board or a duly constituted compensation committee of the Board shall also comply with the following additional requirements and procedures:

- a. The terms of compensation shall be approved by the Board or compensation committee prior to the first payment of compensation;
- b. All members of the Board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each Board member or committee

member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):

1. Is not the person who is the subject of the compensation arrangement, or a family member of such person;
  2. Is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
  3. Does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
  4. Has no material financial interest affected by the compensation arrangement; and
  5. Does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the Board or committee member.
- c. The Board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
1. Compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
  2. The availability of similar services in the geographic area of this organization;
  3. Current compensation surveys compiled by independent firms; and
  4. Actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the Board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the Board or compensation committee that

approved the compensation. Such documentation shall include:

1. The terms of the compensation arrangement and the date it was approved;
2. The members of the Board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each Board or committee member;
3. The comparability data obtained and relied upon and how the data was obtained;
4. If the Board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the Board or committee shall record in the minutes of the meeting the basis for its determination;
5. If the Board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the Board or committee meeting;
6. Any actions taken with respect to determining if a Board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement); and
7. The minutes of Board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next Board or committee meeting or 60 days after the final actions of the Board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the Board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next Board or committee meeting following final action on the arrangement by the Board or committee.

## **SECTION 6: ANNUAL STATEMENTS**

Each director, principal officer, and member of a committee with governing Board delegated powers shall annually sign a statement that affirms such person:



- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands the corporation is organized for the exclusively for charitable and educational purposes and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The statement shall be signed by each Board member at the commencement of his or her first term on the Board. The statement of acknowledgement of conflicts of interest policy is attached as Schedule 1.

**SECTION 7: PERIODIC REVIEWS**

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

**SECTION 8: USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

**Adopted by the Board on: \_\_\_\_\_, 2014**

\_\_\_\_\_  
 \_\_\_\_\_, *President*

\_\_\_\_\_, *Secretary*

\_\_\_\_\_, *Treasurer*

**Schedule 1**

**Bikes del Pueblo  
Statement of Acknowledgment of Conflicts of Interest Policy**

I have been elected or appointed to serve on the Board of Directors of Bikes del Pueblo, a California nonprofit public benefit corporation, and affirm that I:

1. Received a copy of the Bikes del Pueblo Conflict of Interest Policy;
2. Read and understand the policy;
3. Agree to comply with the policy; and
4. Understands the corporation is organized exclusively for charitable and educational purposes and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

\_\_\_\_\_, *President*

\_\_\_\_\_  
Date

\_\_\_\_\_, *Secretary*

\_\_\_\_\_  
Date

\_\_\_\_\_, *Treasurer*

\_\_\_\_\_  
Date