

April 19, 2016

BYLAWS OF:
THE CAPITOLA PUBLIC SAFETY & COMMUNITY SERVICE
FOUNDATION
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

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BYLAWS OF THE
CAPITOLA PUBLIC SAFETY AND COMMUNITY SERVICE FOUNDATION
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

1. Name
The name of this nonprofit public benefit corporation is the Capitola Public Safety and Community Service Foundation.

2. Office of the Corporation
The office for the transaction of the activities and affairs of the corporation is located at 1840 41st Avenue, Suite #203, Capitola CA 95010 The Board of Directors (board) may change the office from one location to another. Any change of location of the office shall be noted by the secretary on these bylaws opposite this section, or this section may be amended to state the new location.

3. Purposes and Limitations
 - a. General Purpose
The corporation is organized for the public purpose of assisting the Capitola Police Department and its community policing partners agencies, or other City Departments, in enhancing public safety through the promotion of community oriented policing and problem solving programs, Crime Reduction Initiatives, and community outreach/education efforts within the city of Capitola.

 - b. Specific Purpose
Within the context of the general purpose stated above, this corporation shall to the extent of the resources available to it:
 - i. Provide funding, resources and support to the Capitola Police Department.

 - ii. Provide funding, resources and support for other City of Capitola projects and programs including the Junior Lifeguard program, and other public safety programs and community service purposes as the Board deems appropriate.

 - c. Limitations
 - i. This corporation is organized exclusively for charitable and educational purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any

powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (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 1954 or the corresponding provision of any future United States internal revenue law.

- ii. No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in section 501 (h) of the Internal Revenue Code of 1986, and this corporation shall not participate in or intervene in (including publishing or disturbing statements) any political campaign on behalf of any candidate for public office.
- iii. All corporate property is irrevocably dedicated to the purposes set forth in section 3 above. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals.
- iv. On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization (or organizations) organized and operated exclusively for charitable purposes which has established its tax-exempt status under section 501 (c) (3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law) and which has established its tax-exempt status under section 23701 (d) of the California Revenue and Taxation Code (or the corresponding section of any future California Revenue and tax law).

4. Membership

This corporation shall not have any members.

5. Directors

a. Powers

i. General Corporate Powers

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the corporation's activities and affairs shall be managed, and all

corporate powers shall be exercised by or under the direction of the board of directors ("Board").

ii. Specific Corporate Powers

Without prejudice to the general powers set forth in section 5 (a) (1) of these bylaws, but subject to the same limitations, the directors shall have the power to:

- (1) Appoint and remove, at the pleasure of the Board, all the corporation's officers and agents; prescribe powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; and fix their compensation and require from them security for faithful performance of their duties.
- (2) Change the office in California from one location to another; and cause the corporation to be qualified to conduct its activities in any other state and conduct its activities within or outside California.
- (3) Borrow or loan money and incur indebtedness on behalf of the corporation and cause it to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidence of debt and securities.
- (4) Bylaws can be changed or modified by a majority vote of the board.

b. Number of Directors

- i. The authorized number of directors shall be not less than seven and no more than Twenty-One.
- ii. No more than 49 percent of the persons serving on the board may be interested persons. An interested person is (a) any person compensated by the corporation 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; and (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. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into the corporation.

c. Director Appointments and Terms of Office

- i. The Capitola City Council shall appoint one Director, nominated by the Mayor, who shall serve a two year term.
- ii. The Executive Director of the Capitola-Soquel Chamber of Commerce shall serve as a Director so long as the person in that position remains the Executive Director of the Chamber.
- iii. The Capitola Police Chief shall serve as a Director so long as the person in that position remains the Police Chief.
- iv. The remaining Directors shall be appointed by the board and shall serve two-year terms that expire on Dec 31. When a Director is appointed during the middle of the year, their term shall expire on Dec. 31 of the calendar year following their appointment, resulting in a term that is between 1-2 years long.
- v. Directors may be reappointed to multiple terms.

d. Vacancies in Board

i. Events Causing Vacancy

A vacancy or vacancies on the board shall exist on the occurrence of the following: (a) the death or resignation of any director; (b) the declaration by resolution of the board of a vacancy in the office of a director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under article 3 of chapter 2 of the California Nonprofit Public Benefit Corporation Law; and (c) three (3) consecutive absences by a director, without being excused from attendance by specific action of the remaining directors noted in the minutes.

ii. Resignation

Except as provided below, any director may resign by giving written notice to the president of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if the corporation would be left without a director or directors.

iii. Filling Vacancies

Unless otherwise designated in these bylaws, vacancies on the board may be filled by a majority of the directors then in office, or by a sole remaining director.

iv. No Vacancy on Reduction of Number of Directors

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

e. Director's Meetings

i. Place of Meetings

Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the office of the corporation.

ii. Meetings by Telephone

Any meeting may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another. All such directors participating shall be deemed to be present in person at such a meeting.

iii. Annual Meeting

The board shall hold an annual regular meeting for purposes of organization, election of Officers every other year, adoption of the Budget, and transaction of other business. Notice of this meeting is not required.

iv. Other Regular Meetings

Other regular meetings of the board may be held without notice at such time and place as the board may fix from time to time. This includes meetings by the Executive Board and any sub-committees designated by the Board of Directors.

v. Special Meetings

I. Authority to Call

The President of the board may call special meetings of the board for any purpose at any time.

II. Notice

(1) Manner of Giving Notice

Notice of the time and place of special meetings shall be given to each director by one of the following methods (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, including fax, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; or (d) by email. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.

(2) Time Requirements

Notices sent by first-class mail shall be deposited in the United States mails at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or email shall be delivered, telephoned, or transmitted at least 48 hours before the time set for the meeting.

(3) Notice Contents

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

vi. Quorum

A Quorum shall be at least two of the elected board officers and a combined minimum of five total directors being present. 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 be the act of the board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which director has a direct material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

- vii. Waiver of Notice
Notice of a 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. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.
- viii. Adjournment
A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.
- ix. Notice of Adjourned Meeting
Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.
- xi. Action Without a Meeting
Any action that the board is required or permitted to take may be taken without a meeting if all members of the board consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested director" as defined in section 5322 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the board.

6. Officers

- a. Officers of the Corporation
Officers of the corporation shall be a President, Vice President, a Secretary and a Treasurer. The Chief of Police shall serve as either the Vice President or Secretary. At least one of the Offices of the Corporation must not be employed or elected to the City of Capitola.
- b. Election of Officers
The officers of the corporation shall be chosen by the board and shall serve for a term of two years at the pleasure of the board.

- c. Removal of Officers
Any officer may be removed with or without cause by the board.
- d. Resignation of Officers
Any officer may resign at any time by giving written notice to the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective.
- e. Vacancies in Office
A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office.
- f. Responsibilities of Officers
 - i. President of the Board
The President of the board shall preside at meetings of the board and shall exercise and perform such other powers and duties as the board may assign from time to time. The President shall be the chief executive officer of the corporation.
 - ii. Vice-President
If the President is absent, the Vice-President shall perform all duties of the president. When so acting, the Vice-President shall have all powers of the president.
 - iii. Secretary
 - I. Book of Minutes
The Secretary shall keep or cause to be kept, at the corporation's office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board. The minutes of meeting shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, and the names of those present at board meetings. The Secretary shall keep or cause to be kept, at the corporation's office in California, a copy of the articles of incorporation and the bylaws, as amended to date.
 - II. Notices, Seal, and Other Duties
The Secretary shall give, or cause to be given, notice of all meetings of the board required by these bylaws to be given. The secretary shall keep the corporate seal, if the board has

adopted one, in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

iv. Treasurer

I. Books of Account

The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The Treasurer shall send or cause to be given to directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any director at all reasonable times.

II. Deposit and Disbursement of Money and Valuables

The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate, shall disburse the corporation's funds as the board may order, shall render to the President of the board or to the board, when requested by either, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

III. Bond

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

v. Executive Board

The Executive Board is comprised of the elected officers and may meet from time to time to discuss board business, personnel matters affecting the board, board bylaws, the fiduciary responsibilities of the board, and other board business that affects the overall direction of the Foundation. The Executive Board may meet in closed session, prior to or after a regular scheduled meeting; or they may meet outside the regular scheduled board meeting. The purpose of the Executive Board is to provide direction to the overall board to ensure the success of the Foundation and to maintain the ethical standards of

the Foundation. No action of the Executive Board shall be an action of the Foundation Board. The Executive Board shall make recommendations to the overall board for a final vote. If the Executive Board meets outside the regular scheduled board meeting, the President shall report on the Executive Board's activities at the next regular scheduled general board meeting.

7. Indemnification

a. Right of Indemnity

To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, and other persons described in section 5238 (a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in section 5238 (a) of the California Corporations Code.

b. Approval of Indemnity

On written request to the board by any person seeking indemnification under section 5238 (b) or section 5238 (c) of the California Corporations Code, the board shall promptly determine under section 5238 (e) of the California Corporations Code whether the applicable standard of conduct set forth in section 5238 (b) or section 5238 (c) has been met and, if so, the board shall authorize indemnification.

c. Advancement of Expenses

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under Sections 7 (a) and (b) of these bylaws in defending any proceedings covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

8. Insurance

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers and directors.

9. Records and Reports

a. Maintenance of Corporate Records

The corporation shall keep:

- (1) Adequate and correct books and records or account; and
- (2) Written minutes of the proceedings of its board.

b. Inspection by Directors

Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of any kind, and physical properties. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

c. Annual Report

The Corporation shall cause an annual report to be sent to the directors within 180 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- i. The assets and liabilities of the corporation as of the end of the fiscal year.
- ii. The principal changes in assets and liabilities.
- iii. The revenue and receipts of the corporation, both unrestricted and restricted to particular purposes.
- iv. The expenses or disbursements of the corporation for both general and restricted purposes.
- v. Any information required by section 10 (d) of these bylaws.

A CPA or accountant with the help and cooperation of the Treasurer shall initially produce the annual report.

The requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors.

d. Annual Statement of Certain Transactions and Indemnifications.

As part of the annual report, the corporation shall annually prepare and mail or furnish to each director a statement of any transaction or indemnification of the following kind within 120 days after the end of the corporation's fiscal year:

- i. Any transaction (I) in which the corporation was a party, (ii) in which an "interested person" has a direct or indirect material

financial interest, and (iii) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving in the aggregate, more than \$50,000. For this purpose, an "interested person" is any director or officer of the corporation, but mere common directorship shall not be considered such an interest. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

- ii. Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under section 7.

10. Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes 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.

11. Amendments

The board may adopt amend or repeal bylaws. The board may not extend the term of a director beyond that for which the director was elected.

12. Certificate of Secretary

I certify that I am the duly elected and acting secretary of the Capitola Public Safety & Community Service Foundation, a California Nonprofit Public Benefit Corporation, that the above bylaws, consisting of 13 pages, are the amended bylaws of this corporation as adopted by the board directors on April _____, 2016, and that they have not been amended or modified since that date.

Executed on 4/30/16 at Capitola, California.



Secretary

Article three:

The name and address in California of the corporation's initial agent for service of process is: Rudy Escalante, Capitola Public Safety and Community Service Foundation, 1840 41st Avenue, Suite #203, Capitola, Ca 95010.

Article four:

- (a) No substantial part of the activities or this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in section 501 (h) of the Internal Revenue Code of 1986, and this corporation shall not participate in or intervene in (including publishing or disturbing statements) any political campaign on behalf of any candidate for public office.
- (b) All corporate property is irrevocably dedicated to the purposes set forth in article two, above. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals.
- (c) On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization (or organizations) organized and operated exclusively for charitable purposes which has established its tax-exempt status under section 501 (c) (3) of the Internal Revenue Code or 1986 (or the corresponding provision of any future United States Internal Revenue Law) and which has established its tax-exempt status under section 23701 (d) of the California Revenue and Taxation Code (or the corresponding section of any future California Revenue and Tax law.)

Dated: April 30, 2016


Incorporator