

**BYLAWS  
OF THE  
SAN LUIS REY WATERSHED COUNCIL**

**CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

**ARTICLE 1  
NAME**

**SECTION 1.1 NAME**

The name of this corporation is the San Luis Rey Watershed Council (hereinafter referred to as the "Corporation").

**ARTICLE 2  
OFFICES OF THE CORPORATION**

**SECTION 2.1 PRINCIPAL OFFICE**

The principal office of the corporation for the transaction of the activities, affairs and business shall be within the County of San Diego. The board of directors may fix and change from time to time the principal office from one location to another within the County of San Diego by noting the change of address in the minutes of the meeting of the board of directors at which the address was fixed or changed.

**SECTION 2.2 OTHER OFFICES**

The corporation may also have other offices at such places, within or without the County of San Diego and the State of California, as its business may require and as the board of directors may, from time to time, designate.

**ARTICLE 3  
PURPOSES and LIMITATIONS**

**SECTION 3.1 PURPOSE AND OBJECTIVES**

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 Law for public and charitable purposes.

The specific purpose of this corporation is to preserve, protect and enhance the natural, cultural, and economic resources of the San Luis Rey Watershed in the County of San Diego, State of California.

The goals of the San Luis Rey Watershed Council are to:

- Write and submit grant proposals to support the SLRWC Mission Statement.
- Develop and implement a watershed-wide water quality and quantity monitoring network.
- Guide watershed-related policy and decision makers.
- Promote sustainable agriculture within the watershed.
- Foster information sharing between stakeholders.
- Recognize social and historic cultural values within the watershed.

The San Luis Rey Watershed Council (Council) provides a forum to give regional expression to a series of local efforts while supporting and preserving the integrity of the local efforts. The Council is established to provide a network for building a basin wide context to conserve watershed health. It operates through consensus-based collaboration, partnerships, coordination of research and monitoring, and enhancing mutual education among the stakeholders of the San Luis Rey River.

Policy direction for the Council comes from the stakeholders of the basin. The Council functions through consensus based Working Committees whose membership is open to anyone with interest, and through regular general stakeholder meetings held throughout the watershed.

## **ARTICLE 4 BOARD OF DIRECTORS**

### **SECTION 4.1 NUMBER**

The corporation shall have seven (7) directors and collectively they shall be known as the Board of Directors. The number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws.

### **SECTION 4.2 POWERS**

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may adopt, from time-to-time, such rules and regulations for the conduct of its affairs as may be required.

### **SECTION 4.3 DUTIES**

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws.
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation; handle all contracts and contractual works of the San Luis Rey Watershed Council.
- (c) Monitor all officers of the corporation to assure that their duties are performed properly.
- (d) Meet at such times and places as required by these Bylaws.
- (e) Register their addresses with the Secretary of the corporation. Notices of meetings mailed or emailed to them at such addresses shall be valid notice thereof.
- (f) Develop and implement policies and procedures, in accordance with the terms of these Bylaws, necessary to ensure that the Board of Directors adequately represents the diversity of the interests of the San Luis Rey River Watershed stakeholders.
- (g) Oversee all financial and legal affairs of the San Luis Rey Watershed Council.
- (h) Adopt a budget for the San Luis Rey Watershed Council.

#### **SECTION 4.4 QUALIFICATIONS OF DIRECTORS**

The original Board of Directors shall consist of seven (7) members. To insure a broadly based Board, that represents all stakeholders' interests within the three sub-basins of the watershed, one Director shall be selected from each of the following general categories.

- Environmental Organizations
- Community Planning Groups
- Water Districts
- Federally Recognized Tribes
- Municipal or County Government / Special Districts (*non water agencies*)
- Agricultural Representative
- At-Large member / Non-Governmental Organizations

It is the intent of this Watershed Council to have active stakeholder communications and dialogue and that a consensus-based forum will provide the foundation of the Council. However, the Board of Directors will deal with administrative, financial and other issues that will be represented by a small representative group of individuals. Consensus is not intended as equivalent to unanimous approval.

Each member of the Board shall be required to:

- a) Attend two-thirds (2/3) of the regularly scheduled meetings of the Board of Directors during any 12-month period. Any non-attending member will be removed.
- b) Participate in the activities and affairs of the organization.
- c) Designate an alternate Board member to serve on his/her behalf at the meetings where they are unable to attend. The alternate Board Members shall have all voting rights and privileges of said primary Board member.
- d) Help secure funding for the organization.

#### **SECTION 4.5 TERMS OF OFFICE**

Each director shall hold office for a period of three (3) years, except for the following:

- a) Three (3) of the first members of the Board of Directors selected at the first annual meeting for election of the Board of Directors as specified in these Bylaws will serve a first term of one (1) year. All subsequent terms for those directors will be for three years. (Seats A, B, C)
- b) Two (2) of the first members of the Board of Directors selected at the first annual meeting for election of the Board of Directors as specified in these Bylaws will serve a first term of two (2) years. All subsequent terms for those directors will be for three years. (Seats D, E)
- c) Two (2) of the first members of the Board of Directors selected at the first annual meeting for election of the Board of Directors as specified in these Bylaws will serve a first term of three (3) years. All subsequent terms for those directors will be for three years. (Seats F,G)

The terms of office shall be determined by mutual agreement of those elected. These elections shall be held every year at the annual meeting, as determined by the Board of Directors. All terms, except the initial terms, shall commence on the first day of the calendar year, following the election year. Initial Directors shall be assigned by lot to the designated seats: A through G.

#### **SECTION 4.6 COMPENSATION**

Directors shall serve without compensation by this corporation, except that they shall be allowed and paid a reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity.

#### **SECTION 4.7 RESTRICTION REGARDING INTERESTED PERSONS**

No person(s) serving on the Board may be interested persons. For purposes of this Section, "interested persons" means either:

- (a) Any person(s) currently being, or about to be, compensated by the corporation for services rendered it within the previous or succeeding twelve (12) months, whether as a full- or part-time officer, other employee, or independent contractor; or

- (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 any such person.

#### **SECTION 4.8 PLACE OF MEETINGS**

Meetings shall be held at locations within the County of San Diego as designated by the Board of Directors. Any meeting not held at the principal location of the corporation shall be valid only if held on the written consent of all directors given either before or after the meeting and filed with the Secretary of the corporation or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the board.

All meetings shall conform to the Ralph M. Brown Act (Govt. Code, §54950, et seq., hereinafter "the Brown Act").

#### **SECTION 4.9 ANNUAL MEETINGS**

Annual Member Meeting: A meeting shall be held annually in October, on a day and time fixed by the Board from time to time. The Board of Directors may designate any place within the County of San Diego as the place of meeting. This meeting shall be for purposes of electing directors and the transaction of other business.

#### **SECTION 4.10 SPECIAL MEETINGS**

Prior to the annual meeting, each of the stakeholder groups shall come up with a slate of qualified nominees needed to fill the open seats on the board. Election of these directors will be held by the general membership at the annual meeting, as described in Article 14 of these bylaws.

#### **SECTION 4.11 SPECIAL MEETINGS**

Special meetings of the Board of Directors may be called by any Officer of the Board or any two (2) Board Directors; such meetings shall be held within the County of San Diego, California. All special meetings will be noticed and conform to the Ralph M. Brown Act.

#### **SECTION 4.12 QUORUM FOR MEETINGS**

A quorum to hold a meeting shall consist of Fifty-One Percent (51%) of Directors in office.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the directors present at such meeting may adjourn until the time fixed for the next regular meeting of the Board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 10 of this Article.

The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal

of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

#### **SECTION 4.12 MAJORITY ACTION AS BOARD ACTION**

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation or Bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233) and indemnification of directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the board.

Each director, or on the Director's absence, the alternate, shall have one vote. Except as otherwise provided herein, all actions of the Board shall be passed upon the affirmative vote of a majority of the Board of Directors.

All Board votes must pass by a 51% majority of Board Members present at time of meeting.

#### **SECTION 4.13 CONDUCT OF MEETINGS**

Meetings of the Board of Directors shall be presided over by the President of the Board, or, if no such person has been so designated or, in his or her absence, by the Vice-President, Secretary or Treasurer of the corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the directors present at the meeting. The Secretary of the corporation shall act as Secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting

The basics of these requirements, as well as standard procedures, for parliamentary proceedings are based upon *Robert's Rules of Order*.

#### **SECTION 4.14 VACANCIES**

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director, and (2) whenever the number of authorized directors is increased.

The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

Any director may resign effective upon giving written notice to the President of the Board, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Secretary of State.

Vacancies on the board may be filled by approval of the Board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole

remaining director. If this corporation has members, however, vacancies created by the removal of a director may be filled only by the approval of the members. The members, if any, of this corporation may elect a director at any time to fill any vacancy not filled by the directors. By action of the Board, the alternate shall be appointed for the remainder of the vacated term. If there is no alternate, then the Board will seek an appointee for the remainder of the term.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board of Directors or until his or her death, resignation or removal from office.

#### **SECTION 4.15 NON-LIABILITY OF DIRECTORS**

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

#### **SECTION 4.16 INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS**

To the extent that a person who is, or was, a director, officer, employee or other agent of this corporation 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, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

#### **SECTION 4.17 INSURANCE FOR CORPORATE AGENTS**

- (a) The Board of Directors shall adopt a resolution authorizing the purchase and maintenance of insurance on behalf of all directors and officers of the corporation against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation 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 California Nonprofit Public Benefit Corporation Law.
- (b) The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any employee or other agent of the corporation against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation 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 California Nonprofit Public Benefit Corporation Law.

## **ARTICLE 5 OFFICERS**

### **SECTION 5.1 NUMBER OF OFFICERS**

The officers of the corporation shall consist of a President, Vice-President, Secretary, and a Treasurer. Each position will be individually held by a separate Board Member.

### **SECTION 5.2 QUALIFICATION, ELECTION, AND TERM OF OFFICE**

The Officers of the organization shall be chosen from the currently active Board of Directors membership by a majority vote of the Board of Directors. The new Board of Directors is elected by the general membership at the annual meeting. The officers shall be chosen subsequent to the election of the new Board members. Said officers shall take office and hold office until they complete a term, shall resign or shall be removed or otherwise disqualified to serve, or their successor shall be elected and qualified, whichever occurs first.

Officers of the corporation shall be selected by majority vote from amongst the seven (7) member Board of Directors. They must be reconfirmed or denied at each appropriate annual meeting election of Directors for that Director's term of office. All other terms of eligibility and election in these Bylaws must also be met.

### **SECTION 5.3 SUBORDINATE OFFICERS**

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

### **SECTION 5.4 REMOVAL AND RESIGNATION**

The Board of Directors may remove any officer, either with or without cause, at any time with 51% majority of the board seats filled. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract that has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

### **SECTION 5.5 VACANCIES**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled, as the board shall determine.



## **SECTION 5.6 DUTIES OF PRESIDENT**

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. He or she shall preside at all meetings of the Board of Directors. If applicable, the President shall preside at all meetings of the members. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, co-sign checks, or other instruments which may from time to time be authorized by the Board of Directors. Additionally, the President will supervise all agents and other employees of the corporation to assure their duties are performed properly.

## **SECTION 5.7 DUTIES OF VICE PRESIDENT**

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

## **SECTION 5.8 DUTIES OF SECRETARY**

The Secretary shall:

Certify and keep at the principal location of the corporation the original or a copy of these Bylaws as amended or otherwise altered to date.

Keep at the principal location of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

Be custodian of the records and oversee all executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or these Bylaws.

Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

#### **SECTION 5.9 DUTIES OF TREASURER**

Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

Co-Sign all checks, along with the President of the Board.

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore.

Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

#### **SECTION 5.10 COMPENSATION**

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation, provided, however, that such compensation paid a director for serving as an officer of this corporation shall only be allowed if permitted under the provisions of Article 4, Section 6 of these Bylaws. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered for the corporation which relate to the performance of the charitable or public purposes of this corporation.

## **SECTION 5.11 INDEMNIFICATION and INSURANCE**

- (a) A person who is or was a Director, officer, employee or other agent of this organization who has been made party to or defendant in any civil, criminal, administrative or investigative proceeding brought to procure a judgment against the organization, or against such person by reason of the fact that that person is or was an agent of the organization, shall be entitled to have paid on that person's behalf all reasonable fees paid or incurred in the defense of such action or be indemnified against expenses paid or incurred by the person in connection with such proceeding, where such person was acting in good faith for the benefit of the organization.
- (b) If such person either settles any such claim or sustains judgment against him or her, the indemnification against such expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with, the requirements of the California Nonprofit Public Benefit Corporation Law.
- (c) This does not apply to any proceeding against any trustee, investment manager, fiduciary or any trust fund of the organization, or any person acting on behalf of the organization without written consent of the organization, in that person's capacity as such, even though that person may also be an agent of the organization as defined in section 5.11(a).
- (d) The Board of Directors may adopt resolutions authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agents status as such, whether or not this organization would have the power to indemnify the agent against the liability under the provisions of this Article.

## **ARTICLE 6 COMMITTEES**

### **SECTION 6.1 COMMITTEES**

The corporation shall have such committees as may from time to time be designated by resolution of the Board of Directors. Such committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" committees.

### **SECTION 6.2 MEETINGS AND ACTION OF COMMITTEES**

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions 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 fixed by resolution of the Board of Directors or by the committee. The Board of Directors may also fix the time for special meetings of committees. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

**ARTICLE 7  
EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

**SECTION 7.1 EXECUTION OF INSTRUMENTS**

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, 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 monetarily for any purpose or in any amount.

**SECTION 7.2 CHECKS AND NOTES**

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be co-signed by the Treasurer and countersigned by the President or one other board member.

**SECTION 7.3 DEPOSITS**

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

**SECTION 7.4 GIFTS AND GRANTS**

The Board of Directors, by a majority of the Board, may accept on behalf of the corporation any contribution, grant, gift, bequest, or device for the charitable or public purposes of this corporation.

**ARTICLE 8  
CORPORATE RECORDS, REPORTS AND SEAL**

**SECTION 8.1 MAINTENANCE OF CORPORATE RECORDS**

The corporation shall keep at its principal office in the State of California:

- (a) Minutes of all meetings of directors, committees of the board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;

(c) A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;

(d) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

#### **SECTION 8.2 CORPORATE SEAL**

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

#### **SECTION 8.3 DIRECTORS' INSPECTION RIGHTS**

Every director shall have the absolute right 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.

#### **SECTION 8.4 MEMBERS' INSPECTION RIGHTS**

Each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

(a) To inspect and copy the record of all members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested.

(b) To obtain from the Secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.

(c) To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the Board or committees of the Board, upon written demand on the corporation by the member, for a purpose reasonably related to such person's interests as a member.

#### **SECTION 8.5 RIGHT TO COPY AND MAKE EXTRACTS**

Agent or attorney of a member may make in person any inspection under the provisions of this Article. The right to inspection includes the right to copy and make extracts as specified in Section 8.4.

#### **SECTION 8.6 ANNUAL REPORT**

The board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all directors of the corporation and, if

this corporation has members, to any member who requests it in writing. The report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the 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 revenue 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 7 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

If this corporation has members, then, if this corporation receives TWENTY-FIVE THOUSAND DOLLARS (\$25,000), or more, in gross revenues or receipts during the fiscal year, this corporation shall automatically send the above annual report to all members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants or certification of a corporate officer, as specified by the above provisions of this Section relating to the annual report.

#### **SECTION 8.7 ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO MEMBERS**

This corporation shall mail or deliver in person or electronically to all directors and any and all members a statement within one hundred and twenty (120) days after the close of its fiscal year, which briefly describes the amount, and circumstances of any indemnification or transaction of the following kind:

- (a) Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:
  - (1) Any director or officer of the corporation, or its parent or subsidiary (a mere common directorship shall not be considered a material financial interest); or
  - (2) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent or its subsidiary.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than FIFTY THOUSAND DOLLARS (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than FIFTY THOUSAND DOLLARS (\$50,000).

Similarly, the statement need only be provided with respect to indemnification's or advances aggregating more than TEN THOUSAND DOLLARS (\$10,000) paid during the previous fiscal year to any director or officer, except that no such statement need be made if such

indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

If this corporation has any members and provides all members with an annual report according to the provisions of Section 6 of this Article, then such annual report shall include the information required by this Section.

## **ARTICLE 9 FISCAL YEAR**

### **SECTION 9.1 FISCAL YEAR OF THE CORPORATION**

The fiscal year of the corporation shall begin on the 1<sup>st</sup> of January and end on the 31<sup>st</sup> of December in the same calendar year.

## **ARTICLE 10 AMENDMENT OF BYLAWS**

### **SECTION 10.1 AMENDMENT**

Subject to any provision of law applicable to the amendment of Bylaws of California Nonprofit Public Benefit Corporation, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted as follows:

(a) Subject to the power of members to change or repeal these Bylaws under Section 5150 of the Corporations Code, by approval of 2/3rds of the Membership unless the Bylaw amendment would materially and adversely affect the rights of members as to voting or transfer, provided, however, if this corporation has admitted any members, then a Bylaw specifying or changing the fixed number of directors of the corporation, the maximum or minimum number of directors, or changing from a fixed to variable board or vice versa, may not be adopted, amended, or repealed except as provided in subparagraph (b) of this Section; or

(b) By approval of the members, if any, of this corporation.

## **ARTICLE 11 AMENDMENT OF ARTICLES**

### **SECTION 11.1 AMENDMENT OF ARTICLES BEFORE ADMISSION OF MEMBERS**

Before any members have been admitted to the corporation, any amendment of the Articles of Incorporation may be adopted by approval of the Board of Directors.

## **SECTION 11.2 AMENDMENT OF ARTICLES AFTER ADMISSION OF MEMBERS**

After members, if any, have been admitted to the corporation, amendment of the Articles of Incorporation may be adopted by the approval of the Board of Directors and by the approval of the members of this corporation.

## **SECTION 11.3 CERTAIN AMENDMENTS**

Notwithstanding the above sections of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first directors of this corporation, 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 Non-Profit 501(C)(3) Corporation" pursuant to Section 6210 of the California Nonprofit Public Benefit Corporation Law.

## **ARTICLE 12 PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

### **SECTION 12.1 PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

No member, director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

## **ARTICLE 13**

### **MISCELLANEOUS**

#### **SECTION 13.1 CONFLICT WITH STATE LAW**

All provisions of these By-laws shall be construed in accordance with the laws of the State of California. In the event of uncertainty, ambiguity, or inconsistency contained in these By-laws, the laws of the State of California, as they exist now or may hereafter be amended, shall control the interpretation, reconciliation or ascertainment of the effect of the provisions contained herein.

#### **SECTION 13.2 AMENDMENT OF THE BY-LAWS**

Any Member may propose an amendment to the By-laws. Any such amendment shall require an affirmative vote by a **2/3rds Majority** of the General Membership, and written notice containing both the proposed amendment and the time and place of the meeting must be sent to all of the Directors a minimum of seven (7) days prior to the meeting, in which such amendment is to be considered. By-Laws may only be amended at the Annual Meeting (October or November).



## **ARTICLE 14 MEMBERS**

### **SECTION 14.1. MEMBERS**

The Corporation shall have only one category of members: **Sponsored Members**. A sponsored member is a person represented by the category of groups as defined/stated in section 4.4. **Un-sponsored individuals** are any group who feels that they have some interest, concern or other stake in the health of the San Luis Rey River Watershed system and are invited to attend meetings and provide input on agenda items.

**Sponsored Members** are allowed one (1) voting member (and up to 2 alternates) and make up the general membership of the watershed council. The Board of Directors and officers of the corporation are members of this group. All sponsored member groups or organizations must pay dues (either monetary or in kind services; amount to be set by the Board).. All sponsored members must meet the organization's qualifications as specified in the Bylaws.

No such reference shall constitute anyone a member within the meaning of Section 5056 of the California Corporations Code. The Corporation may grant some or all of the rights of a member to any person or entity that does not have the right to vote, but no such person or entity shall be a member within the meaning of Section 5056 of the California Corporations Code by amendment of its Articles of Incorporation or of these bylaws.

### **SECTION 14.2. MEMBERSHIP VOTING**

Sponsored members shall have the right to one vote. The designated representative and up to two (2) alternates must be decided by their own individual agency; a letter stating who the representative and alternates are must be on file with the San Luis Rey Watershed Council prior to that member voting.

Sponsored Members shall be entitled to elect the seven (7) directors on the Board.

If a group's voting representative or alternate misses 3 consecutive regular monthly/noticed meetings, voting privileges will be rescinded. To reinstate voting privileges, the voting member/sponsor or alternate must attend 2 consecutive meetings; voting privileges will be reinstated at the second consecutive meeting. Designated alternates may fill in for the group's representative at any time.

#### **Pre-Requisites to Voting:**

- Must have a letter from their organization on file, naming the voting member & up to two alternates

Membership has been designated to vote on the following items: members may vote for the Board of Directors; members may vote on any amendments to the By-Laws at the Annual Meeting. All other decisions shall be made by the Board.

### **SECTION 14.3. MEMBER FEES.**

The annual fees, payable to the Corporation by Sponsored Members Groups/Organizations will be in such amounts payable at such time or times as may be determined as needs may dictate by resolution of the Board of Directors.

**SECTION 14.4. GOOD STANDING**

Those members who have paid the required dues, fees and assessments in accordance to the bylaws and who are not suspended shall be members in good standing.

**SECTION 14.5. TRANSFER OF MEMBERSHIP**

Membership in this Corporation is not transferable or assignable.

**SECTION 14.6. TERMINATION OF MEMBERSHIP**

Membership in the Corporation will terminate on any of the following events:

- a) On the resignation of the member;
- b) On the failure of the member to pay annual dues within 60 days after mailing of written notice that such payment is due and owing;
- c) On the occurrence of an event that renders the members ineligible for membership, or failure of a member to satisfy membership qualifications;
- d) On the expulsion of the member based on the good faith determination by the Board or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

**WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS**

We, the undersigned, are all of the persons named as the initial directors in the Articles of Incorporation of the San Luis Rey Watershed Council, 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 20 pages, as the Bylaws of this corporation.

Dated: February 23, 2009

<u>Cynthia Mallett</u>	--name--, Director	President Cynthia Mallett
<u>David Allen</u>	--name--, Director	Vice President David Allen
<u>Heidi Bruns</u>	--name--, Director	Secretary Heidi Bruns
_____	--name--, Director	
_____	--name--, Director	
_____	--name--, Director	
_____	--name--, Director	

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the Bylaws of the corporation named in the title thereto and that such Bylaws were duly adopted by the Board of Directors of said corporation on the date set forth below.

Dated: February 23, 2009

Heidi Bruns, Secretary

**AMENDMENTS TO THE BYLAWS**

_____	Dated: _____
_____	Dated: _____
_____	Dated: _____