

ANZA COMMUNITY BUILDING INC. CONSTITUTION AND BY-LAWS

INTRODUCTION

The ANZA COMMUNITY BUILDING, INC. was formed and filed with the State of California on 19 October, 1948 with the 1st Incorporators and Board of Directors being: Lincoln J. Hamilton, John Bohlen, Hazel A. Martal, Michael L. Flaherty, Sylvester Costo, Ted Bloomer, Fern Bahrman, Howard Bailey and Henry Lichtwald.

The California Secretary of State, Office of Franchise Tax Commissioner, granted 'tax-exempt status on 26 October, 1948. The Articles of Incorporation were acknowledged by the Office of the Secretary of State on 27 October, 1948.

ARTICLE I — NAME AND PURPOSE

Section 1 — Name: The name of the organization shall be **Anza Community Building, Inc.** is formed as a nonprofit organization incorporated under the laws of the State of California.

Section 2 — Purpose: The California nonprofit, charitable corporation known as, **Anza Community Building, Inc.** is organized exclusively for:

Charitable and education purposes including, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the internal revenue code, or the corresponding section of any future federal tax code and herein stated as follows:

The building and operating a Community Hall which, shall be used by the people of this area and any other area that is deemed feasible for social, educational, recreational, civic and other legal activities.

This corporation may conduct non-partisan research, education, and informational activities to increase public awareness of all issues relevant to the residents and business owners in this area, including: juvenile delinquency; substance abuse; to combat and reduce crime or tensions within neighborhoods; to prevent community deterioration, including the preservation of historical public monuments and any other lawful activities allowed within the laws and regulations governing charitable nonprofit organizations including all IRS regulations relative to 501(c)3 corporation and California laws governing tax exempt nonprofit corporations.

The activities of this corporation are for the public benefit of the corporation members within that area served.

Section 3 — *Prohibited Activities*: This corporation shall be non-sectarian, non-partisan. It shall not lend support of influence to any political candidate, party or affiliation. It shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.

Section 4 — *Character*: The character and essence of the corporation is the same as the purpose.

ARTICLE II — MEMBERSHIP

Section 1 — *Regular Membership*: shall be open to all persons, over 18 years of age, who reside in, or who own real property in the membership boundary area as defined in Section 4.

Membership is granted after completion and receipt of a membership application and the payment of the annual dues. Memberships are limited to one per person even if that individual owns multiple properties within the service area.

Section 2 - *Business Membership*: In addition to a personal membership any resident who qualifies for regular membership under Section 1 and also has a business or nonprofit organization operating within the membership boundaries as defined in Section 4, may purchase a membership for the business. If the member purchases more than (1) one business membership for businesses or organizations, the voting rights of those additional entities shall be limited so that a single person can vote for a maximum of (2) two combined personal and business votes.

Section 3 - *Special Membership (Class 2)* shall be open to all others and include all the privileges of regular membership except without having any voting rights.

Section 4 — *Membership Boundaries Defined*: as being within zip code numbers 92536, 92539, or 92561 or within those portions of the surrounding zip codes that are close enough to the Anza Community Hall to have their electricity supplied by the Anza Electrical Cooperative.

Section 5 — *Annual Membership Dues*: The amount required for annual dues for a Regular or Special Membership shall be \$20 for a 12 month period of membership, starting from the date of the purchase of that membership, unless the amount of the dues is discounted by the Board of Directors as part of a membership drive or other incentive program aimed

at increasing membership. Continued membership is contingent upon any member being up-to-date on his or her membership dues.

Business membership cost is \$35 and is also good for 12 months.

Section 6 — Rights of Members: Each member shall be eligible to cast one vote for their personal membership and a maximum of two votes if they also have purchased a business membership, in the elections held for the Board or Directors or in any other vote put before the membership.

ARTICLE III — MEETINGS OF MEMBERS

Section 1 — Regular Meetings: Regular meetings of the members shall be held at the Anza Community Hall, at least quarterly but may be held more often, should the Board of Directors decide that more regular meetings are in the interest of the corporation, its members, or the advancement of the goals of this corporation. The meetings will be held a time and on a date designated by the chair.

Section 2 — Annual Membership Meetings: An annual meeting of the members shall take place in the month of **September**, at the Anza Community Hall. The chair will designate the specific date and time of the annual meeting. At the annual meeting the members shall elect directors, receive reports on the activities of the corporation, and determine the direction of the corporation for the coming year.

Section 3 — Special Membership Meetings: The chair, the Executive Committee, or a simple majority of the Board of Directors may call special meetings. A petition signed by five percent of voting members may also call a special meeting. The date of any specially called meeting must be set at least two weeks after the Secretary receives notice that such a meeting has been called for by any of the methods listed above.

Section 4 — Notice of Membership Meetings: A notice of each meeting shall be sent to each voting member (for whom the Secretary has a valid email address) via electronic media. It shall be posted on any websites or electronic bulletin boards controlled by the Anza Community Building, Inc as well as being posted on the bulletin board inside the Community Hall, not less than two weeks prior to the meeting.

Section 5 — Quorum: The members present at any properly announced meeting shall constitute a quorum.

Section 6 — Voting: All issues which are to be put before the membership for

a vote of the members with voting rights, shall be decided by a simple majority of those voting members present at the meeting in which the vote takes place.

Section 7 — Voting Eligibility: A member in good standing, holding a voting membership for at least 30 days prior to annual meeting or any other meeting shall be eligible to cast one ballot in that election or that specially called meeting where a vote of the membership is required, shall be eligible to vote. Members who joined during the 30 days prior to the election or other meeting requiring a vote of the membership, will not be eligible to vote until after their membership aging exceeds 30 days and is in good standing, as of the date of the vote being cast. Voting rights are limited to one per person even if that owns multiple properties or businesses within the defined membership boundaries per Article II Section 4.

Section 8 — Decorum: It is in the best interest of this corporation and its charitable goals to conduct its meetings with order and decorum. Under normal circumstances this will be achieved via informal rules guiding public discourse. If the board determines that those informal rules are insufficient to assure an orderly meeting, it can switch to the use of Robert’s Rules of Order for that meeting, by a simple majority vote of the board members in attendance at that meeting.

ARTICLE IV — BOARD OF DIRECTORS

Section 1 — Board Role, Size, and Compensation: The Board of Directors is responsible for overall policy and direction of the corporation, and has the authority to delegate responsibility of the day-to-day operations to the staff and/or committees. The Board of Directors shall have up to 9, but not fewer than 3 Directors. The Board members shall receive no compensation for their service to this nonprofit corporation other than reimbursement for reasonable expenses.

Section 2 — Board Of Director Terms: Shall begin once the election occurs at the annual meeting in September. The terms of each member of the Board of Directors shall end 2 years after that election during the annual meeting. If a Director is elected (during a Special Election), to fill a vacancy, his or her term will end at the annual meeting, just as if he or she was elected along with the other directors. Any Director may run for re-election for up to 3 consecutive 2-year terms

Section 3 — Board Member Eligibility: Any nominee for a position as a Director on the Board must have and maintain a personal Hall membership in good standing, with voting rights for at least 30 days prior to his/her nomination to the Board. Said member must maintain that membership in good standing the entire time they are on the Board. If the membership of any Board member lapses for non-payment of dues or fails to exist in good standing for any other reason, the

Director shall be notified by the Secretary of that deficiency. Should the Director not cure his or her eligibility by restoring the membership into good standing, within 30 days, that will be grounds for immediate removal of the Director from the Board.

Section 4 – Board Election Procedures: The secretary shall select an election committee of at least 3 members, to oversee the elections. Any member in good standing, may nominate themselves or another member in good standing as a candidate for the Board of Directors by giving a written notice of that nomination to the current secretary of the corporation at least 2 weeks prior to the annual meeting and agreeing to abide by all fiduciary duties of a Director and these Bylaws. If the nomination is for a person other than themselves, the person making that nomination must provide the Secretary adequate contact information for the nominee to allow the Secretary to contact the potential nominee to confirm that nominee accepts that nomination and agrees to the conditions of conduct contained in these bylaws. Once the Secretary knows the identity of the nominees he/she shall create written ballots to be distributed to members in good standing at the annual meeting. Each nominee will be given the floor for up to 5 minutes at the annual meeting to explain to the membership why they are seeking positions on the board. A period of time not exceeding one hour will be set-aside at the annual meeting for the nominees to be questioned by the membership. After that period of questioning the secretary will distribute the ballots.

If a member is elected to the board and resigns or refuses to be seated on a board, before voting at any meeting then the member with the next highest number of votes, but not elected, shall replace that director without needing a new election.

Section 5 – Officers and Duties: Once elected as Director the newly elected Board shall select among themselves four officers of the board, consisting of a chair, vice-chair, secretary, and treasurer. Their duties are as follows:

The Chair shall be President of the corporation. The chair shall convene regularly scheduled board meetings, shall preside, or arrange for other members of the Executive Committee to preside at each meeting in the following order: vice-chair, secretary, and treasurer.

The Vice-chair shall, in the absence or disability of the President to act, exercise the powers and assumes the duties of the President if and when the chair/President is unable to attend any meeting. The vice-chair shall chair committees on special subjects as designated by the board.

The Secretary shall be the Secretary of the corporation and shall be responsible for keeping records of board actions, including overseeing the taking of minutes at all board meetings, sending out meeting announcements, distributing copies of

minutes and the agenda to each board member, and assuring that corporate records are maintained.

The Treasurer shall be the Treasurer and Chief Financial Officer of the corporation and shall make a report concerning the finances of the corporation at each board meeting. The Treasurer shall chair the finance committee (if a finance committee is created), assist in the preparation of the budget, help develop fundraising plans, and make financial information available to board members and the public.

Section 6 – Transition Between Boards: Because this corporation wants to ensure a smooth transition between all outgoing and incoming Boards of Directors, the outgoing Board of Directors shall be invited (by the incoming Board of Directors) to each Board Meeting that occurs between the date of elections in September and the end of the calendar year following the election. During this transition period the Outgoing Board shall fully acquaint the incoming Board of Directors with all issues and procedures needed for a seamless operation of this corporation. They will provide them all access information including account numbers, passwords, corporate filing information, and any other information in their possession that will help ensure that the Incoming Board continues towards the charitable goals of this corporation.

Section 7 – Fiduciary Duties: The outgoing President, Secretary & Treasurer affirm that it is part of their fiduciary duty to the corporation to assist the incoming officers and board with completing the government filings for the previous year including but not limited to tax filings and all filings required by the Attorney General, Secretary of State and any other agency for the period over which these directors were on the Board of Directors.

Section 8 – Other Positions: The board reserves the right to create other positions and titles, as it deems beneficiary to the corporation and achieving the goals of this corporation. Members serving in the positions created by the board serve at the discretion of the board. These positions may be created or terminated by a simple majority vote of the board but will automatically terminate with the term of the board that created them, unless reinstated by a majority vote of the next elected board.

Section 9 – Vacancies: When a vacancy on the board exists mid-term, the secretary will publish a notice of a special election to fill the vacancy(ies) for at least 30 days prior to the member meeting when the vote will take place. The Secretary must receive nominations for new board members from present members at least two weeks in advance of the member meeting in which the vote will occur to allow for ballots to be printed. The names of the nominee(s) shall be presented to the membership and each nominee will be given an opportunity to

address the membership prior to the vote. These vacancies will be filled only to the end of the particular board member's term. Upon a vacancy occurring on the Board of Directors, a special meeting of the General Membership shall be convened within 60 days of the vacancy and a new Director shall be elected to fill the vacancy.

Section 10 – Board Meetings and Notice: The board shall meet at least quarterly, at an agreed upon time and place. An official board meeting requires that each board member be sent notice at least two weeks in advance. Notice may be given via electronic media or any other method approved by the Board. The Board may choose to hold Board meetings, where only Directors are intended to be present, in person, telephonically or over any other medium that suits its purposes. Meetings that will involve persons other than the Directors will be held at the Community Hall or other physical location acceptable to the Board and conducive with its purposes. The Board may have non-board members attend board meetings, if they are reporting to the board on issues being discussed by the board. Such persons include but are not limited to, any grant writer and project manager for grant funds.

Section 11 – Special Board Meetings: Special meetings of the board shall be called upon the request of the chair, or one-third of the board. The secretary shall send out notices of special meetings to each board member at least two weeks in advance. The Board may waive the amount of time required for notice if circumstances require rapid action.

Section 12 – Quorum: A quorum of at least forty percent of current Board Members must be in attendance for business transactions to take place or any motions to pass.

Section 13 – Limitations: Because this nonprofit corporation owns and controls valuable assets (belonging to the members of Anza Community Building, Inc.) including but not limited to the real property located at 56630 Hwy 371 Anza, CA 92539 the Board of Directors is restricted from engaging in the sale or encumbrance of any asset owned by Anza Community Building, Inc. without a specific vote by the membership of this corporation, authorizing that action. Notice of the meeting (along with a description of the agenda) must be posted in the local newspaper(s) in addition to the other notifications required for regular meetings, when the agenda includes a discussion or vote on the sale or encumbrance of any asset owned by Anza Community Building, Inc.

Section 14 – Resignation, Termination, and Absences: While this section provides for several conditions under which a Director may be removed, that removal shall not affect his or her standing as a member of this corporation.

- a) A Board Member with three (3) consecutive unexcused absences from any combination of Board Meetings, Membership Meetings, or Specially Called Meetings shall automatically be dismissed from the Board.
- b) If any member believes that a board member needs to be removed, for cause (before the end of that board member's term) a petition signed by at least 20 members, naming the Director to be removed and the cause prompting this action, shall be given to the Board of Directors. The Secretary shall post a notice of this extraordinary action for at least thirty (30) days and a vote of the membership will decide whether or not to remove said board member at the first regular meeting more than thirty (30) days after the petition has been posted.
- c) The Board of Directors may terminate a Director's term in office by a 3/4ths vote of the remaining Directors if it can be shown that the Director engaged in behavior, which is illegal or violated their fiduciary duty to Anza Community Building, Inc by creating a potential financial liability for Anza Community Building, Inc.
- d) Any Officer of the corporation may be removed from that office by a 3/4ths vote of the other Board members if it can be shown that this officer has failed to perform his or her duties as detailed in Article IV Section 4.

Section 15 – Indemnity of Directors: All Directors and Officers shall be named insured in an “Errors and Omissions” personal liability insurance policy provided and paid for by the Anza Community Building, Inc. or for violating the Standards of Behavior enumerated in Section 16.

Section 16 – Standards of Behavior: Officers and Directors of Anza Community Building, Inc. are expected to conduct themselves according to accepted business practices and generally accepted norms for civil behavior, in our society. Violence (be it only threatened or acted upon), engaging in either criminal activity or what is generally considered to be unethical behavior, bullying and physical intimidation of members or other Directors, while functioning in the role of Director are all unacceptable behaviors. This list is not meant to be exhaustive but rather to lay out general principles for what is commonly understood to be professional behavior in any business. Violations of this standard of behavior may be grounds for the removal of a Director in an expedited manor, only requiring a 3/4ths vote of the Directors not standing accused of violating these standards.

ARTICLE V – COMMITTEES

Section 1 – Committee formation: The board may create committees as needed, such as fundraising, housing, public relations, data collection, etc. The board chair appoints all committee chairs.

Section 2 — Executive Committee: The three legally required corporate officers (President, Secretary, Treasurer) shall serve as the members of the Executive Committee. Except for the power to amend the Articles of Incorporation and bylaws, the Executive Committee shall have all the powers and authority of the board of directors during the intervals between meetings of the board of directors, and is subject to the direction and control of the full board.

Section 3 — Finance Committee: The treasurer may form a finance committee should the treasurer find such a committee to be beneficial to the corporation. The treasurer is the chair of the Finance Committee, which may include three other board members. The Finance Committee is responsible for developing and reviewing fiscal procedures, fundraising plans, and the annual budget with staff and other board members. The board must approve the budget and all expenditures must be within budget. The board or the Executive Committee must approve any major change in the budget. The fiscal year shall end on 09/30/xxxx unless changed by a vote of the members and both the IRS and FTB approve that change. Annual reports are required to be submitted to the board showing income, expenditures. The financial records of the organization are public information and shall be made available to the all board members and any member in good standing.

ARTICLE VI — STAFF

Section 1 — Staff: Upon a determination by Board of Directors, additional staff members may be added as needed.

Section 2 — Compensation: The Board of Directors must approve, in advance, any compensation paid to any staff member, other than reasonable reimbursement for expenses.

ARTICLE VII — CONFLICT OF INTEREST POLICY

Section 1 — Purpose: This conflict of interest policy is designed to help directors, officers, and employees of the Anza Community Building, Inc. identify situations that present potential conflicts of interest and to provide Anza Community Building, Inc with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, or employee has or may have a conflict of interest with respect to the transaction. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, the law shall control.

Section 2 — Conflicts Defined:

a) Outside Interests. Any business agreement or transaction between Anza

Community Building, Inc and an officer, board member or family member of those officers or board members or business which has a shared material financial interest with a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.

b) Outside Activities. Any responsible person competing with Anza Community Building, Inc in the rendering of services or in any other agreement, transaction or having a material financial interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an entity or individual that competes with the Anza Community Building, Inc in the provision of services or in any other agreement or transaction with a third party.

c) Gifts, Gratuities and Entertainment. Any Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that does or is seeking to do business with, or is a competitor of Anza Community Building, Inc; or has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from Anza Community Building, Inc; under circumstances where it might be inferred that such action was intended to influence or possibly would influence the responsible person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of Anza Community Building, Inc.

Section 3 — Terms Defined:

a) A “Conflict of Interest” is any circumstance described in Section 2 of this Policy.

b) A “Responsible Person” is any person serving as an officer, employee, or member of the board of directors of Anza Community Building, Inc.

c) A “Family Member” is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.

d) A “Material Financial Interest” in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.

e) An “Agreement or Transaction” is any agreement or relationship

involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by Anza Community Building, Inc. The making of a charitable gift to Anza Community Building, Inc is not an Agreement or Transaction within the meaning of this document.

Section 4 — *Procedures:*

a) Before board or committee action on and Agreement or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

b) A Director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

c) A person who has a Conflict of Interest shall not participate in or be permitted to hear the board or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

d) A person who has a Conflict of Interest with respect to an agreement or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Agreement or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the board of directors of Anza Community Building, Inc has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the board of directors.

e) Responsible Persons who are not members of the board of directors of Anza Community Building, Inc or who have a Conflict of Interest with respect to an Agreement or Transaction that is not the subject of board or committee action, shall disclose to the Chair or the Chair's designee any Conflict of Interest that such Responsible Person has with respect to an Agreement or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that

may affect Anza Community Building, Inc's participation in such Agreement or Transaction.

f) In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

g) Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of Anza Community Building, Inc. Furthermore, a Responsible Person shall not disclose or use information relating to the business of Anza Community Building, Inc for the personal profit or advantage of the Responsible Person or a Family Member or the Responsible Person's company.

ARTICLE VIII — AMENDMENTS

Section 1 — Amendments: Any amendment proposed of these by-laws shall be submitted to the Secretary of the Board of Directors. The proposed amendment shall then be posted on the Anza Community Building, Inc electronic bulletin board and website plus the physical bulletin board inside the Anza Community Hall, and the Secretary shall proceed with member notification at least thirty (30) days prior to the date set for such meeting. A majority vote of the membership in attendance at any meeting scheduled for the purpose of amending these bylaws will amend these bylaws.

ARTICLE IX — DISSOLUTION

Section 1 — Intended Purpose: It is the intended purpose of the organizers of this charitable corporation for it to exist in perpetuity. However, we realize that future conditions may dictate that this corporation may be dissolved.

Section 2 — Vote To Dissolve: Should any future Board of Directors find it necessary to dissolve this corporation it shall convene a meeting of the membership of this corporation and conduct a vote of the membership to decide the fate of this corporation. It shall take a vote of 2/3rds of the membership to dissolve the corporation. Upon a successful motion to dissolve the final Board of Directors will conduct all the business necessary to dissolve the corporation including but not limited to filing all appropriate notices of dissolution with all appropriate government bodies and file all final tax returns.

Section 3 — Distribution of Assets: Because this corporation was formed as a tax-exempt charitable corporation all the assets of this corporation must be

used for charitable purposes. Should the corporation have any assets remaining at the time of dissolution the final Board of Directors shall transfer those assets to another charitable corporation which has a 501(c)3 designation by the IRS and has been granted state tax exemption by the state in which it is organized, before completing their duties associated with the dissolution.

Section 4 — Continuation of Contracts: Even upon the dissolution of this nonprofit corporation any contracts that were entered into related to the real estate owned by this corporation shall remain in force and follow that deed. For example, this corporation intends to finalize a contract with Dollar General in which certain improvements are made at the Community Hall in exchange for Dollar General having the right to connect into our water system. Part of that agreement will state something to the effect that this building will never be used for commercial purposes which are in direct competition with Dollar General. Even if this corporation dissolves, Dollar General would retain its rights to connect to the well and the restriction of use shall be binding on any future owner.

CERTIFICATION

The foregoing accurately reflects the sixth (6th) Amendment of the Constitution & By-laws of ANZA COMMUNITY BUILDING, INC, as further amended on the ____ day of _____, 20__ and is certified to be a true and complete copy by the undersigned officers of the Corporation, the original of which shall be kept in the Corporate Minute Book:

President/Chair

Vice-President/Vice Chair

Secretary

Treasurer