

BYLAWS OF THE LOS ANGELES BREAKFAST CLUB

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ARTICLE I - ORGANIZATION

SECTION 1: STATUS AND NAME.

This organization shall be a nonprofit civic, cultural, and education organization and shall be known as "THE LOS ANGELES BREAKFAST CLUB".

SECTION 2: PRINCIPAL OFFICE.

The corporation (hereinafter referred to as "Club") shall maintain its principal office in the City of Los Angeles, State of California, at such place as may be fixed from time to time by its Board of Directors, and it may have offices and transact business at such other places in the County of Los Angeles, State of California, as the Board of Directors may, from time to time, appoint.

SECTION 3: CORPORATE SEAL.

The Club shall have a common seal consisting of a circle having on its circumference the words, "THE LOS ANGELES BREAKFAST CLUB, INCORPORATED, January 24, 1934.

ARTICLE II - MEMBERSHIP

SECTION 1: CLASSES AND QUALIFICATIONS.

The membership of the Los Angeles Breakfast Club shall be constituted as follows:

- (a) Membership is open to persons of good conduct who seek benefits available from Club programs. Membership is at all times subject to approval of the Board of Directors. The dues charged to Members of this Club, unless stated to the contrary herein, shall be determined by the Board of Directors, payable monthly or yearly, in advance, said sum shall entitle paying members to all of the privileges of this Club at regularly scheduled Club meetings. The Board of Directors may waive dues or a portion of dues for any member or members where special circumstances warrant such waiver.

- (b) REGULAR MEMBERS.

Persons 18 years of age, or older, who have been approved by the Board of Directors as REGULAR MEMBERS and fulfill all financial requirements established by the Board of Directors. They shall be entitled to vote and to hold office and enjoy all of the privileges of the Club.

(c) HONORARY MEMBERS.

Persons occupying positions of distinction in the community, and any member in good standing, may become HONORARY MEMBERS upon the approval of two-thirds of the entire Board of Directors at any regular meeting thereof, on a nomination by one or more members of the Club. An Honorary member shall enjoy all the rights and privileges of the Club except the right to vote and hold office. The term of honorary membership shall be determined by the Board of Directors. The Board of Directors may review the list of Honorary members and shall have the authority for such reasons as seem adequate to terminate or retain any such honorary membership. The Board may in its discretion limit the number of honorary members existent at any one time. Honorary members shall not be required to pay dues.

(d) HONORARY LIFE MEMBER.

Any regular member who has been in good standing for fifty (50) years or performed meritorious service may be granted HONORARY LIFE MEMBERSHIP by affirmative vote of two-thirds of the entire Board of Directors. Honorary Life Members shall not be required to pay dues.

(e) SAVING CLAUSE.

Nothing in this Article shall be construed as limiting or abrogating the status or tenure of existing Life or Honorary Memberships.

(f) ASSESSMENTS.

Members shall not be subjected to or liable for assessments.

(g) NON TRANSFERABLE MEMBERSHIP.

Membership in this Club shall not be transferable.

(h) BREAKFAST CHARGE.

The Board of Directors shall have the authority to set a charge for breakfast (in addition to dues) to be paid by each member and each guest.

The Board shall also have authority to waive the breakfast charge for members of the Club who are performing special services for the Club such as, but not limited to, Chaplain, Song Leader, Club Counsel, etc. during the period of said service.

SECTION 2: REGULATIONS

All classes of membership shall be subject to the following regulations unless specifically exempted therefrom.

(a) APPLICATIONS.

All persons seeking membership shall submit a written application on a form determined by the Board of Directors, which form shall provide a space for the name of the Club member as sponsor.

(b) APPROVAL OF APPLICATIONS.

Applications for membership shall be approved by not less than a majority of the Directors present at a meeting of the Board, by secret ballot or by voice vote unless one Director requests a secret ballot, in which case approval shall be by secret ballot.

(c) RESIGNATION.

Any member may resign at will upon submitting a written resignation to the Board and upon discharging all financial obligations to the Club. Dues are not refundable.

(d) CARD OF MEMBERSHIP.

(1) Each member shall receive a Card of Membership if in good standing at the time of issuance, which card shall be of such form and design as the Board of Directors may determine. Each card shall be signed by the President, and express on its face the year of issuance and person to whom it is issued.

(2) A special Card of Membership may be designed by the Board and issued to Honorary Life Members and/or Honorary Members entitled to receive one.

(e) COPY OF BYLAWS.

Each member shall be entitled access to a copy of the current Bylaws of the Club, or a physical copy upon request to the Board.

(f) ROSTER.

Each member shall be entitled to access to a copy of the current roster containing the names and contact information of the entire membership of the Club.

(g) REINSTATEMENT.

Members who do not pay their dues are considered delinquent until three years after their last payment. At that point they are no longer considered members and must apply for membership once again in order to be reinstated.

SECTION 3: SUSPENSION AND EXPULSION.

(a) Upon receipt of written complaints of five (5) or more members, against any other member, director, or officer of the Club, the President shall within ten (10) days of receipt, refer said complaint to an Investigative Committee and furnish it with a copy of the complaint. The Investigative Committee shall consist of at least (3) but not more than five (5) members of the Club and shall be appointed by the president. If the President is the subject of the complaint the Chairperson of the Board of Directors will assume these responsibilities. The Committee shall report its findings to the Board of Directors.

(b) By a two-thirds vote of the entire Board of Directors and after a hearing before the Board, the Board of Directors shall have the power, without any liability whatsoever to any person or persons affected, to expel, suspend, or otherwise discipline any member for the following causes:

(1) Conduct which in the discretion of the Board of Directors is reasonably likely to endanger or impair the welfare, dignity, interest, business, popularity, harmony, or character of this Club, or which is in violation of these Bylaws or the rules and regulations of this Club.

(2) The printing, circulation, or distributing of resolutions, letters, tickets, or other devices suggesting, recommending, or opposing names of candidates for office, except as herein provided, or on matters pertaining to the affairs of the Club.

(3) Failure of a member to pay the account balance with this Club ten (10) days after the date of mailing or receiving electronic notice directed to said Member stating that the account with the Club is delinquent by more than ninety (90) days.

(c) DELINQUENT DUES.

A member whose dues are unpaid for more than ninety (90) days may be dropped from the Club's roster and mailing list, by a vote of a majority of the Board of Directors.

(d) RIGHT TO RESIGN.

Before final action is taken to expel any member, the Member shall be first so notified and given an opportunity to resign.

(e) REINSTATEMENT.

The Board of Directors shall have the right to reinstate any delinquent member who has been suspended, provided the account is satisfactorily settled.

(f) NOT IN GOOD STANDING.

A member whose dues are unpaid for two months is not in good standing, and is not eligible to vote or hold office.

ARTICLE III - MEETINGS OF MEMBERS

SECTION 1: PLACE OF MEETING.

Annual and Special Meetings of members shall be held either at the principal office of the Club, or at any other place within the County of Los Angeles, State of California, or which may be designated either by the Board or by written consent of one-third (1/3) of the members of the Club entitled to vote at such meeting, given either before or after the meeting and filed with the secretary of the organization as part of the Minutes of any such meeting.

Should attendance or public health or safety issues require a virtual meeting, such meeting, utilizing internet or other technology allowing for remote participation, shall be acceptable.

SECTION 2: ANNUAL MEETING.

The Club shall hold its annual business meeting on the second Wednesday of March each year, or the following Sunday, if not a legal holiday, and if a legal holiday, then on the Wednesday following, at 8:00 o'clock A. M. on Wednesdays or 6:00 P.M. on Sundays. Robert's Rules of Order shall govern the deliberations of all meetings of the membership and of the Directors except as herein otherwise provided.

The order of business shall be:

FIRST - Determination if a quorum is present.

SECOND - Approval of the minutes of the previous meeting

THIRD - Report of Officers, including financial statement

FOURTH - Report of committees, if any

FIFTH - Unfinished business.

SIXTH - New business.

SEVENTH - Adjournment

SECTION 3: NOTICE OF MEETINGS.

Notices of all meetings of the Club shall be personally delivered to, mailed, or electronically distributed to each voting member of the Club, at the last known address as shown on the Club's records, at least seven (7) days before such meeting. All such notices shall specify the place, the date and the hour of such meeting and in the case of special meetings the nature of the business to be transacted thereat.

SECTION 4: SPECIAL MEETINGS.

The Board of Directors or President shall have the power to call meetings of the Club whenever it deems necessary, and it shall call a meeting at any time upon written request of fifteen-percent (15%) of the voting members, and such meeting shall be called in not less than seven (7) days and not more than twenty (20) days after such notice has been received at the office of the Club. Electronic communication is valid.

SECTION 5: ADJOURNED MEETING AND NOTICE THEREOF.

Any annual or special meeting of members, whether or not a quorum is present, may be adjourned from time to time or continued to a date certain by the vote of a majority of the members present, but in the absence of a quorum, no other business may be transacted at such a meeting.

SECTION 6: RECORD DATE FOR DETERMINATION OF MEMBERS ENTITLED TO VOTE.

The Board of Directors may fix a time as the record date for the determination of members entitled to vote at any meeting of members or at any election. In the absence of the fixing thereof, said record date shall be at the close of business seven (7) days prior to the date upon which said meeting or election is to be held. Any record date fixed by the Board of Directors shall not be more than twenty (20) days prior to the date of said meeting or election.

SECTION 7: VOTING.

All regular members, in good standing, shall be entitled to vote at all business meetings. Such vote may be "via voca" or by ballot, and shall be by members present in person or by virtual means but not by proxy. Absent ballots shall not be permitted.

SECTION 8: QUORUM.

The presence in person or by virtual means of not fewer than fifteen percent (15%) of the members in good standing of the Club entitled to notice of and to vote at any meeting, shall constitute a quorum for the transaction of business.

ARTICLE IV - BOARD OF DIRECTORS

SECTION 1: POWERS.

The Board of Directors shall have power, subject to these Bylaws, to conduct, manage, and control the affairs and business of the Club and to make rules, not inconsistent with the laws of the State of California, and these Bylaws, for the guidance of the officers, agents, and employees of the Club in the management of the affairs of the club.

The Board of Directors shall from time to time designate such officers, directors, or employees to sign checks in payment of corporate obligations.

SECTION 2: POLICY.

The Board of Directors shall establish the policy of the Los Angeles Breakfast Club with respect to the organization, operation, and procedures thereof, subject to the limitations of the Articles of Incorporation and of these Bylaws, as amended from time to time. Policy so established shall be followed by officers, directors, committee chairpersons, members, and employees of the Los Angeles Breakfast Club unless the Board of Directors determines that highly unusual and exceptional circumstances exist which warrant deviation from the established policy in a particular instance.

SECTION 3: NUMBER OF DIRECTORS.

The authorized number of Directors of this Club shall be:

- (1) Twenty one (21) for the calendar year 1987,
- (2) Nineteen (19) for the calendar year 1988,
- (3) Seventeen (17) for the calendar year 1989,
- (4) Beginning January 1, 1990 the number of Directors shall be fifteen (15).
- (5) Beginning January 2023, nine (9).

SECTION 4: TERM OF OFFICE.

- (a) All Directors shall be elected for a term of three years (except those elected to fill a shorter term) and all Directors so elected shall serve until their successors are elected. Their terms of office shall begin on the first Regular Board Meeting following the Annual Meeting in March. The terms of Directors shall be so arranged to provide for the election of three (3) directors each year. No person shall be eligible for election to the Board of Directors who, at the same time, has served two consecutive terms (aggregating six consecutive years) unless and until a period of one (1) year has expired since completion of the two terms.

- (b) Employees and contractors hired by the club shall not be eligible to concurrently serve on the Board of Directors.

- (c) Family members, or members of a collective familial unit whose personal and/or economic interests are combined, may not serve on the Board of Directors concurrently with their family member.

SECTION 5: RESIGNATIONS.

Any member of the Board of Directors may resign at any time by giving written notice to the Board of Directors delivered to the President or the Secretary of the organization. Any such resignation shall take effect at the date of receipt of such notice or at a later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6: VACANCIES.

- (a) Vacancies on the Board of Directors shall be filled:
 - (1) By a majority vote of the Directors remaining in office,
 - or
 - (2) By the members at any annual election or special election.

- (3) A vacancy on the Board of Directors shall be deemed to exist in the case of death, resignation, disqualification, or removal of any director.

- (b) In filling vacancies the Board of Directors may give consideration to the members who were runners-up during the last annual election of Directors. Vacancies existing before September 1 and not filled by action of the Board of Directors by that date shall be filled by the voting members (for the periods of less than three years) at the annual election of Directors.

- (c) Any Director who fails to attend three (3) consecutive regular meetings of the Board of Directors without valid cause or excuse, shall be notified by the Secretary, in writing, of that fact and attention called to this section of the Bylaws, and should the Director fail to attend the next regular meeting, or furnish a valid reason for absence, then the Board shall declare the office vacant.

SECTION 7: THE LOS ANGELES BREAKFAST CLUB FOUNDATION BOARD OF TRUSTEES.

The Foundation of the Los Angeles Breakfast Club requires the President and four (4) active Directors of the The Los Angeles Breakfast Club to serve on the Foundation's Board of Trustees.

The President shall be an Ex Officio Trustee to the Foundation and neither they nor any Director may hold an office both on the Foundation Board of Trustees and the of The Los Angeles Breakfast Club concurrently.

If for any reason the required number of Directors are unable to also serve on the Foundation, then the number of Directors on the Board may be expanded accordingly, up to 13, to fulfill the Foundation's requirement. These new Directors shall be already serving Trustees of the Foundation (provided the Foundation can find the required number of members in good standing to replace them as non-club-director trustees, five of which must always be serving on the Foundation Board of Trustees) or be instated by the club membership via the election processes for Directors and Trustees in accordance with the bylaws of both the Foundation and The Los Angeles Breakfast Club.

SECTION 8: PLACE OF MEETINGS.

Monthly meetings of the Board of Directors shall be held on the second Monday of each month, unless and until the date of such monthly meeting is changed by majority vote of the Board of Directors.

Should public health or safety issues require a virtual meeting, such meeting, utilizing internet or other technology allowing for remote participation, shall be acceptable, provided a quorum of trustees (as defined in Article IV, Section 13) is able to participate.

SECTION 9: PRESIDING OFFICER.

The presiding officer of the Board shall be the Chairperson of the Board, In the absence of the Chairperson, the President, or the Vice-President, or the Secretary or the Treasurer (in that order) shall serve as Chairperson pro-tem.

SECTION 10: VOTING.

Each member of the Board of Directors shall have one (1) vote, provided that the presiding officer shall not cast a vote except in case of a tie.

SECTION 11: SPECIAL MEETINGS OF DIRECTORS.

Special meetings of the Board of Directors:

- (a) May be called at any time by the President or Chairperson, who shall give each Director written or electronic advance notice of at least 72 Hours;

- (b) Shall be called at the written request of three (3) members of the Board of Directors within seven (7) days after receipt of such request by the President who shall give each Director written advance notice of at least five (5) days.

SECTION 12: NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given to the absent directors if the time and place be fixed at the adjourned meeting.

SECTION 13: WAIVER OF NOTICE.

The transaction of business at any meeting of the Board of Directors, however called and notices or wherever held, shall be as valid as though a meeting had been duly called and noticed if a quorum be present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to holding such a meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the organization or made a part of the minutes of the meeting.

SECTION 14: QUORUM.

A majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by the Directors shall require an affirmative vote of no less than a majority of the Directors present, by show of hands or other evidence of affirmative vote.

SECTION 15: INVESTMENT POLICY.

- (a) The Board of Directors shall control all funds of the Club and is expressly authorized to cause the Club's funds to be invested and reinvested from time to time for the best interest of said Club.
- (b) The Board of Directors is hereby authorized:
 - (1) To deposit the Club's funds in banks whose deposits are insured by the Federal Deposit Insurance Corporation; and
 - (2) To purchase or otherwise acquire and to hold, sell, exchange, or otherwise dispose of securities:
 - (a) of stocks and bonds, of companies listed on the New York Stock Exchange, on the American Stock Exchange, and stocks and bonds traded on the NASDAQ Over the Counter Market, and Exchange Trade Funds and mutual funds; and
 - (b) United States Treasury Bills; and
 - (c) certificates of deposit of banks and savings and loan corporations insured by the Federal Deposit Insurance Corporation of the Federal Savings and Loan Insurance Corporation, but not in excess of the amount insured.

- (3) The investment and reinvestment of said assets shall be governed by the investment policy adopted by the Board of Directors and shall be governed by the "prudent person" rule" which has been defined by California statute as " investments acquired using the judgment and care which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital...".

SECTION 16: DELINQUENT ACCOUNTS.

Any account which has not been paid within sixty (60) days after the mailing of a statement to a member stating the amount of said account, shall be considered a delinquent account. The Board of Directors shall be informed at its regular monthly meeting of all delinquent accounts of this Club. The office manager shall supply such information.

SECTION 17: AUTHORITY TO WAIVE PAYMENT OF DUES.

The Board of Directors shall have the authority within its discretion to waive payment of dues by members of the Club who are performing special services for the Club such as, but not limited to, Chaplain, Song Leader, Club Counsel, etc. during the period of said service.

ARTICLE V - OFFICERS

SECTION 1: DESIGNATION OF OFFICERS.

- (a) The Board of Directors shall elect a President, a Vice-President, a Secretary, a Treasurer, and a Chairperson of the Board not later than April 1. The officers shall be elected for a term of one (1) year. The officers shall assume office at the first regular Board meeting following the Annual meeting.
- (b) The President may appoint three (3) to five (5) members of the Club to serve as the Nomination committee, subject to the approval of the Board, to assist the Board in the selection of officers who shall be selected from the current or past roster of Directors, except that a nominee for President shall preferably be a current member of the Board of Directors.

SECTION 2: SUBORDINATE OFFICERS.

The Board of Directors may appoint such other officers as the business of the organization may require, each of whom shall hold office for such period, have such authority, and perform such duties as are required by these Bylaws or as the Board of Directors may adopt from time to time.

SECTION 3: RESIGNATION.

Any officer may resign from office in the same manner, and the resignation shall become effective as herein before prescribed in these Bylaws with respect to the resignation of a member of the Board of Directors.

SECTION 4: VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled by the Board of Directors.

SECTION 5: PRESIDENT.

(a) EXECUTIVE HEAD.

The President shall be executive head of the Club and shall preside at annual and special meetings of the Club. The president shall receive reports of all officers committees and employees, unless otherwise required by these Bylaws. The President shall call such special meetings as are herein provided to be called by the President, see that the Bylaws are enforced, and at the annual meetings of the Club make a report of the general affairs and conditions of the Club. The President or the Vice-President shall sign all certificates of membership and all contracts and other instruments of writing which shall have been first approved by the Board of Directors.

(b) APPOINTMENT OF COMMITTEES.

The President for the ensuing year shall appoint Chairpersons of all committees, with the exception of the Executive, and Investment and Management Committees, whose chairpersons and members shall be designated by the Board of Directors. The appointed chairpersons shall select members to serve on their respective committees and shall deliver to the President the list of said members. The President shall present to the Board of Directors a written list consisting of the names of the chairpersons and members to serve on the respective committees for approval by the Board of Directors at its meetings. The President shall fill vacancies on those committees by appointment, subject to the approval of the Board of Directors.

(c) REMOVAL OF COMMITTEES.

The President shall have the power to remove the chairperson and/or members of the committees (appointed by the President) with the approval of the Board of Directors, or the Executive Committee. The President shall be an ex officio member of all committees.

SECTION 6: PRESIDENT PRO TEM.

In the absence of the President, or the inability of the President to act, or by direction of the President, the Vice-President, or the Secretary, or the Treasurer shall act as President pro tem, in that order.

SECTION 7: CHAIRPERSON OF THE BOARD.

- (a) The Chairperson of the Board shall preside over meetings of the Board.
- (b) The Chairperson shall enforce the provisions of the bylaws.
- (c) The Chairperson shall perform such other duties as the Board may assign to the Chairperson.
- (d) The Chairperson shall make reports to the President on such matters as may be submitted to the Chairperson.

SECTION 8: SECRETARY.

The Secretary shall keep complete record of the proceedings of the Board of Directors and of the meeting of the members and shall provide copies of the minutes thereof to each director prior to the meetings of the Board.

The Secretary shall keep the seal of the club and affix the same to such papers and instruments as may be required in the regular course of business and shall make service of such notices as may be necessary or proper, and shall discharge all other duties as pertain to the office or as prescribed by the Board. An Assistant Secretary shall perform the duties of the Secretary in the absence of or the inability of the Secretary to act, and such duties as may be prescribed by the Secretary or by the Board.

SECTION 9: TREASURER.

The Treasurer shall submit to the annual meeting of the membership a condensed report on the financial conditions of the Club as of December 31 of the calendar year preceding the holding of such annual meeting. They shall submit to the Board at each of its monthly meetings, when held, the report prepared by the Club auditors, and/or club manager, and/or themselves which report shall

include the financial statements of the Club investments as of the last day of the preceding month and said report shall include a review of the income, expenses, and net operating results for the year to date. The Treasurer shall, upon request, make available a list of all bills paid in a time period, showing the check number or proof of transaction of each bill paid, and the name of each recipient of each payment.

SECTION 10: VICE PRESIDENT.

The Vice President shall perform the duties of the President in the event that the President is unavailable or incapacitated. The Vice President shall assist the President as directed by the President and shall have any other powers and duties as may be prescribed by the Board of Directors.

ARTICLE VI - COMMITTEES

SECTION 1: TERM OF OFFICE.

All committees shall serve for a term of one year except as otherwise provided in these Bylaws.

SECTION 2: EXECUTIVE COMMITTEE.

The Board of Directors shall have the power to select an Executive Committee to be composed of one third (1/3) of the members of the Board. A majority of such Executive Committee shall constitute a quorum for the transaction of business of such Committee, and during the interim of the meetings of the Board of Directors, the Executive Committee shall have the full power and authority of the Board of Directors in routine management and control of the business of the Club, but shall at all times be subject to the control and supervision of the Board. The minutes of the Executive Committee shall be submitted to the Board of Directors at its next regular or special meeting for approval. The Executive Committee shall elect a Chairperson and Secretary at its first regular meeting following the creation of the Executive committee by the Board. The Board shall fill all vacancies in said committee.

SECTION 3: MANAGEMENT COMMITTEE.

- (a) The Board shall select a Management Committee, which shall consist of five (5) members. Membership of the Management Committee shall include the President of the Los Angeles Breakfast Club, the Chairperson of the Board, and three (3) members who are in good standing with the Club. Two (2) of the three (3) members of the Committee shall be members of the Club, in good standing, who have never served as a director of the Club. The Board shall elect, each year, a Chairperson and a Vice-Chairperson of the Committee. The Chairperson so elected shall appoint a Secretary for the Committee.

- (b) In the event the President of the Club, the Chairperson of the Board are unable to serve for any reason, the Board shall fill the vacancy as to these positions on the committee without any restrictions.
- (c) The Committee shall meet once each month, or more frequently as necessary.
- (d) Three (3) members of the Management Committee shall constitute a quorum for the transaction of business.
- (e) The duties of the Management Committee shall consist of the following:
 - (1) To conduct, supervise, and manage the daily operations of the business of the Club, which shall include but not be limited to, the operations and personnel of the office, the caterer, and relations with the City Department of Recreation and Parks; which shall be implemented by the Chairperson of the Committee.
 - (2) Additionally, any and all other duties and responsibilities that shall be assigned to the Management Committee by the Board.
 - (3) All activities of the Committee shall be subject to the approval of, and to the policies established by the Board.

SECTION 4: INVESTMENT COMMITTEE.

As needed, the Board shall have the power to select an Investment Committee.

- (a) The Board shall appoint no less than three (3) nor more than seven (7) members, in good standing to serve as an Investment committee, for a term of one year. The Board shall appoint the Chairperson of the Committee. The Chairperson of the committee shall appoint the Secretary.
- (b) The Committee shall give due consideration for the diversity of investment of the Club's funds in:
 - (1) Stocks and bonds of companies listed on the New York and American stock exchanges and those traded on the NASDAQ Over the Counter Market, Exchange Trade Funds;
 - (2) Mutual funds;
 - (3) U. S. Treasury Bills; and

- (4) Certificates of deposit issued by banks and savings & loan corporations, insured by the Federal Deposit Insurance Corporation of the Federal Savings and Loan Insurance Corporation, but not in excess of the insured amount.

- (c) The Committee shall be governed by the investment policy adopted by the Board and shall be governed by the "prudent man rule" which has been defined by California statute as "...investments acquired using the judgment and care which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of their capital."

- (d) The Chairperson of the Committee shall report to the Board, at the regular monthly meetings or special meetings of the Board the Committee's actions with respect to investments of the Club's funds.

- (e) At least three (3) members of the Committee are required for action. When the number of members is three (3), four (4) or five (5) quorum shall be three (3)

When the number of members is six (6), four (4) members shall constitute a quorum. When the number of members is seven (7), five (five shall constitute a quorum.

SECTION 5: OTHER COMMITTEES.

Standing or Special committees of this organization may be created, for terms of one year by the President, subject to approval of the Board, or may be created directly by the Board. Such committees shall have and may exercise such powers as shall be conferred upon them by the Board.

ARTICLE VII - ELECTION OF DIRECTORS

SECTION 1: NOMINATING COMMITTEE.

- (a) A Nominating Committee shall consist of three (3) regular members, in good standing, and shall be selected as follows:
 - (1) Prior to the first Wednesday in January, the President shall appoint three (3) regular members to serve on the Nominating Committee, and shall designate one of them as Chairperson.

- (2) At a business meeting the first Wednesday in January, the membership shall elect three additional regular members to serve on the Nominating Committee.
- (3) If there are only three nominees, they may be elected by acclamation. In the event of more than three nominees, the vote shall be by secret ballot and the three nominees receiving the largest number of votes shall be declared elected to the Nominating Committee. In the case of a tie, the determination shall be by lot.
- (b) No member of the Nominating Committee shall be eligible for nomination by said committee.
- (c) The Nominating Committee shall nominate one regular member, in good standing, for each vacancy to be filled on the Board.
- (d) The Nominating Committee shall present its report to the Secretary of the Club not later than the first Wednesday in February. The Secretary shall, within ten (10) days, notify the membership of the name of each person nominated by the Committee. Such notification may be electronic.
- (e) The membership may nominate regular members, in good standing, for the vacancies to be filled on the Board. Each nomination must be in writing and must be signed by not less than three (3) regular members in good standing. Each Nomination must be delivered to the Club Secretary no later than the first Wednesday in February. The Secretary shall, within ten (10) days, notify the membership of the name of each person nominated by the Committee. Such notification may be electronic.
- (f) When the number of candidates for directorship are three (3) for three (3) years each, the election tellers may declare the candidates elected and the distribution of ballots shall not be required.
- (g) In the event the number of candidates nominated by the Nominating Committee and membership exceed the number of Directors, the Secretary shall provide ballots and the list of candidates for directorship, and spaces for voting. The Secretary shall instruct the members as to the number of Directors to be elected, and the members shall vote for the number to be elected- no more and no less. The Ballot and instructions shall be delivered in person, sent by First Class Mail, or sent electronically to all regular MEMBERS entitled to vote, no later than February 15.

SECTION 2: CONSENT TO SERVE.

All persons nominated for directorship, must state in writing, before their nomination, that they are ready, able, and willing to serve as a Director.

SECTION 3: VOTING.

Voting shall be by secret ballot, physically or electronically, on forms furnished by the Secretary. The ballots shall be returned to the Club Secretary not later than the first Wednesday of March. In person votes shall be collected at the first meeting in March.

SECTION 4: ELECTION.

The candidates receiving the largest number of votes shall be those elected to directorships for terms of three years. For terms of two (2) years, if there be any to be filled, the candidates receiving the next largest number of votes shall be declared elected. For a term of one (1) year, if there is one to be filled, the candidate receiving the next largest number of votes shall be declared elected. In the event of a tie the determination shall be by lot.

SECTION 5: ELECTION TELLERS.

The President shall appoint three (3) election tellers from the membership. They shall open and count the ballots and report the names and the count to the Club Secretary. Candidates and nominators may not be present during the counting of the ballots.

ARTICLE VIII - GENERAL PROVISIONS

SECTION I: APPLICATION OF ROBERT'S RULES OF ORDER

Robert's Rules of Order Revised, shall govern all members' meetings and Directors' meetings of the Club, except in instances of conflict between said Robert's Rules of Order and the Articles or the Bylaws of the Club, or provisions of law.

SECTION 2: INTEREST OF MEMBER UPON CESSATION OF MEMBERSHIP.

If any member shall cease to be such, any interest the member shall have in and to the property, assets, and privileges of the Club shall cease and revert to the Club, and such cessation of membership shall operate as a release and assignment to the Club of all right, title and interest of such member in and to

the property, assets and privileges of the Club; provided, however, that any cessation of membership shall not affect any indebtedness owing by such member to the Club.

SECTION 3: DISTRIBUTION OF ASSETS OF THE CLUB.

No part of the net earnings, properties, or assets of this Club, on dissolution or otherwise, shall enure to the benefit of any private person or individual or any Director of this Club, and on liquidation or dissolution all properties and assets of this Club remaining after paying or providing for all debts and obligations shall be distributed and paid over to such fund, foundation, or corporation organized and operated for charitable or purposes as a majority of voting members shall determine.

SECTION 4: CONFLICT OF INTEREST

(a) Duty to Disclose

Any person, Director, officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, through business, investment, or family, must disclose the existence of a conflict of interest to the Board of Directors or a designated representative.

The person with a possible conflict of interest shall disclose all material facts to the Board of Directors or its representative either in writing or at a regular or special meeting of the Board.

(b) Determining Whether a Conflict of Interest Exists

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

(c) Procedures for Addressing the Conflict of Interest

- (1) An interested person may make a presentation at the Board's meeting but after which, they must leave the meeting during the discussion of, and vote on, the transaction or arrangement involving a possible conflict of interest.
- (2) The Chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (3) After exercising due diligence, the Board or committee shall determine whether the organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (4) If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or

arrangement is in The Los Angeles Breakfast Club's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflict of Interest Policy

- 1) If the Board or committee has reasonable cause to believe the person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person or entity an opportunity to explain the alleged failure to disclose.
- 2) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action

(e) Records of Proceedings

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

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

(f) Compensation

- (1) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Los Angeles Breakfast Club for services is precluded from voting on matters pertaining to that member's compensation.
- (2) No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Los Angeles Breakfast Club, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

(g) Annual Statements

Each Director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (1) Has received a copy of the conflict of interest policy,
- (2) Has read and understands the policy,
- (3) Has agreed to comply with the policy, and
- (4) Has agreed to comply with the policy, and
- (5) Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes

(h) Periodic Reviews

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

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

(k) Use of Outside Experts

When conducting the periodic reviews, the Los Angeles Breakfast Club may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE IX - AMENDMENTS TO BYLAWS

SECTION 1: PROCEDURES.

- (a) Proposed amendments to the Bylaws may be initiated by two thirds (2/3) of the entire Board of Directors or by petition signed by more than fifteen percent (15%) of the regular members in good standing.
- (b) Amendments shall be by two-thirds (2/3) vote of the regular membership, in good standing, present and voting at a business meeting.
- (c) All proposed amendments shall be in writing. Proposals for consideration at the annual meeting of members shall be submitted to the Club Secretary thirty (30) days prior thereto, and the Secretary shall notify the membership fifteen (15) days prior to said meeting.

- (d) When proposed amendments are initiated by Board resolution and for action a special meeting, not less than thirty (30) days shall pass between the mailing of the call for meeting and said meeting.
- (e) When proposals are initiated by petition that calls for a special business meeting, the Secretary shall designate the time and place for the said meeting which shall be not less than thirty (30) days nor more than sixty (60) days after filing of the petition with the Club Secretary. The Secretary shall notify the membership within ten (10) days of said filing.
- (f) The Secretary shall send an electronic or paper copy of all proposed amendments to every regular member at the time of notification of said meeting.

SECTION 2: EFFECTIVE DATE.

These amended Bylaws as hereinabove set forth, shall be in effect immediately upon their ratification and adoption by the voting members of the Club, unless the effective date of any amendment is determined to be otherwise.

ARTICLE X - INDEMNIFICATION.

SECTION 1: LIABILITY.

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Club. The Board shall take measures to ensure this protection with Directors and Officers Insurance or other appropriate measures.

SECTION 2: INDEMNIFICATION.

This Club by its Board of Directors, to the maximum extent permitted by the California Corporation Law, shall have the power to indemnify each of the Club's agents against expenses, judgements, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding by reason of the fact any such person is or was an agent of the Club, and shall have the power to advance to each such agent such expenses incurred in defending such proceeding to the maximum extent permitted by law. For the purpose of this Article, an "agent" includes any person who is or was a Director, officer, employee, member of a committee, or other agent of the Club, serving as such at the request of the Board of Directors.

END