

BYLAWS OF THE LOS ANGELES WHEELMEN

A California Mutual Benefit Corporation
Adopted 6/89; Revised 11/92; 7/97; 7/98; Last Revised 4/2000

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ARTICLE I Name

The name of the Corporation is: THE LOS ANGELES WHEELMEN

ARTICLE II Objectives and Purposes

The objectives of this corporation are:

- (1) To promote bicycling for recreation, health, transportation, and sport.
- (2) The name and emblem of the Los Angeles Wheelmen cannot be used for commercial purposes.
- (3) No member of the Corporation shall use the name or emblem of the Los Angeles Wheelmen to exploit personal views.
- (4) No member of this Corporation shall use the roster of members for personal, commercial, or professional purposes.

The purposes for which this corporation is formed are:

- (a) This Corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under such law. The specific and primary purpose is to promote the sport and pastime of bicycling for the exclusive enjoyment of members.
- (b) The general purposes and powers are to have and exercise all rights and powers conferred on nonprofit corporations under the laws of California, including the power to contract, rent, buy, or sell personal or real property; provided, however, that this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this Corporation.
- (c) If this organization holds any event(s) which members of the general public are invited to observe or participate in for a fee, the income from the general public, less a proportional share of the expenses which will not benefit members, will be paid over to an organization which is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code on an annual basis.

ARTICLE III Location of Principal Office

The principal office for the transaction of the business of the Corporation is located in the State of California, County of Los Angeles. The Directors may change the principal office from one location to another. Any change of location shall be noted on these Bylaws opposite this section, or this section may be amended to state the new location.

ARTICLE IV Nonpartisan Activities

This Corporation has been formed under the California Mutual Benefit Corporation Law for the purposes described in Article II, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office, or for or against any cause or measure being submitted to the people for a vote. The Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

ARTICLE V Dedication of Assets

The properties and assets of this nonprofit corporation are irrevocably dedicated to fulfillment of the objectives and purposes of this corporation as set forth in Article II. No part of the net earnings, properties, or assets of this Corporation, upon dissolution or otherwise, shall inure to the exclusive benefit of any private person or individual, or any member or Director of this Corporation except in fulfillment of said objectives and purposes. On liquidation or dissolution all properties and assets and obligations shall be distributed pursuant to the nonprofit provisions of the California Corporations Code then in effect.

ARTICLE VI Membership

SECTION 1. Qualifications

There shall be three classes of membership in this Corporation: Regular, Household, and Honorary. Any person 18 years of age or older, and of good character, shall be eligible for Regular membership upon acceptance of their application by the Board of Directors and payment of such dues and initiation fees as may from time-to-time be fixed by the Board. Any two persons eligible to be Regular members and residing at the same address shall be eligible for Household membership upon payment of such dues and initiation fees as may be set by the Board for that class. An Honorary membership may be given to an individual whose contribution to bicycling has been outstanding over an extensive period of time. The awarding of honorary memberships shall be the subject of a meeting of members, and require a two-thirds affirmative vote of those members present. Honorary members shall be exempt from payment of dues.

SECTION 2. Fees, Dues, and Assessments

Each Member in good standing must pay, within the time and on the conditions set by the Board of Directors, the initiation fee and annual dues in amounts which may be fixed from time-to-time by the Board. Dues shall be effective as of the date of acceptance into the Club, for a membership period of one year, and shall be renewable on the anniversary of their effective date thereafter. One copy of the monthly bulletin (*The Gooseneck*) shall be provided to each Regular member and Honorary member, and one copy to each Household membership. Each Regular member, and each member in a Household membership, shall receive one membership card and one copy of the Bylaws. The dues and fees set by the Board of Directors

shall be subject to the ratification of two-thirds of the members present at a scheduled meeting of members, provided that the proposed dues and fees have been published in the edition of the Club bulletin prior to the meeting at which the vote will be taken.

SECTION 3. Termination of Membership

Causes of Termination. A Membership shall terminate upon occurrence of any of the following events:

- (a) The resignation of the member.
- (b) The failure of a member to pay annual dues in the amount and within the times set forth by the Board of Directors.
- (c) The determination by the Board of Directors, or by a committee designated to make such determination, that the member has failed in a material and serious degree to observe the rules of conduct governing this Corporation as declared by the Board.

Procedure for Expulsion. Following the determination that a member should be expelled under subparagraph (c), above, the following procedure shall be used.

- (a) A notice shall be sent by registered mail to the most recent address of the member as shown on the Corporation's records, setting forth the expulsion and the reasons therefor. Such notice shall be sent at least 15 days before the proposed effective date of the expulsion.
- (b) The member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than five days before the effective date of the proposed expulsion. The hearing will be held by a special member expulsion committee composed of not fewer than three Directors appointed by the President. The notice to the member shall state the date, time, and place of the hearing on the proposed expulsion.
- (c) Following the hearing, the expulsion committee shall decide whether or not the member should in fact be expelled, suspended, or sanctioned in some other way. The decision to expel a member shall be subject to a two-thirds affirmative vote by secret written ballot of members present at a meeting of members. The decision of the meeting is final.
- (d) Any person expelled from the Corporation shall receive a refund of dues already paid. The refund shall be prorated to return only the unaccrued balance remaining for the period of the dues payment.

ARTICLE VII Meetings of Members

SECTION 1. Place of Meeting

Meetings of the membership shall be held at any place within the State of California designated by the Board of Directors. In the absence of any such designation, meetings of members shall be held at the principal executive office of the Corporation.

SECTION 2. Meetings

Regular meetings of the members shall be held at least six times per year, with not more than one in each month and with a maximum interval of two months.

SECTION 3. Notice of Members' Meetings

- (a) General notice contents. All notices of meetings of members shall be given by publication in the Club bulletin. The notice shall specify the place, date, and hour of the meeting, and, in the case of special agenda items, the nature of the business to be transacted.
- (b) Notice of certain agenda items. If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):
 - (i) Removing a Director and Officer.
 - (ii) Filling vacancies on the Board of Directors by the members.
 - (iii) Amending the Articles of Incorporation and Bylaws.
 - (iv) Approving a contract or transaction in which a Director has a material financial interest.
 - (v) Expulsion of a member.
 - (vi) Matters which the Board of Directors intends to present for action by the members.

SECTION 4. Quorum

A quorum shall consist of ten percent of the Club membership, but with no more than 10 required, and not less than five members.

SECTION 5. Voting

- (a) Eligibility to vote. Persons entitled to vote at any meeting of members shall be members as of the first of the month of the date of the meeting.
- (b) Manner of casting votes. Voting may be by voice or ballot, except that any election of Officers must be by ballot.
- (c) Acts of members. If a quorum is present, the affirmative vote of the majority of the members at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by classes is required by the California Nonprofit Corporation Law or by the Articles of Incorporation or by these Bylaws.

SECTION 6. Proxies

There shall be no voting by proxy. Any member who is unable to attend a meeting at which a matter will be voted upon may

vote by mail.

SECTION 7. Voting of Classes

Each Regular member and Honorary member shall be entitled to cast one vote on all matters submitted to a vote of the members. Each Household membership shall be entitled to cast two votes on all matters submitted to a vote of the members.

SECTION 8. Parliamentary Procedure

Robert's Rules of Order, most recent edition, shall be the authority on questions of parliamentary procedure.

ARTICLE VIII Election of Officers

SECTION 1. Nominations

- (a) Nominations shall be declared open at the December meeting of members. Nominations shall be closed at the meeting of members during the third week in January.
- (b) Nominating Committee. The Chairperson of the Board of Directors may appoint a committee to select qualified candidates for election to office. The report of the committee shall be made at the December meeting of members.
- (c) Nominations from the floor. Any member may place names in nomination, either in person at the meeting or by mail.

SECTION 2. Officers and Elections

- (a) The elected Officers of the Corporation shall be a President, a Vice President, a Secretary, a Treasurer, and a Director At Large.
- (b) The election of officers shall occur annually in the month of February. All Officers shall be elected by a secret ballot, and a plurality of vote of the returned ballots shall constitute an election. Members as of the first of February shall be eligible to vote.
- (c) Ballots shall be compiled not later than February 15th, and mailed to all members by First Class mail. All ballots shall be returned by mail and received on or before midnight of March 1st. In the event only one candidate is nominated for each office, the entire slate may be elected by a simple majority vote at the January meeting of members.
- (d) The term of office shall be for one year.
- (e) The installation of Officers shall be held in March.
- (f) The newly elected Officers shall assume their duties immediately following their installation, and shall serve until their successors have been installed.
- (g) Any person who is a member as of the first of January shall be eligible for office.
- (h) Upon request by any nominee for office, a written statement of qualification, prepared by the nominee, shall be included in the ballot.

SECTION 3. Duties of Officers

Each Officer shall be empowered to carry out the executive and administrative functions designated by the Board of Directors and these Bylaws. Duties of officers shall include, but are not limited to, those enumerated in the following:

- (a) **President**
 - (i) Serves as Chairperson of the Board of Directors.
 - (ii) Presides at all meetings of members and of the Board of Directors.
 - (iii) Appoints all committee chairpersons and makes all special assignments, subject to approval of the Board.
 - (iv) Has general supervision of all Club activities.
 - (v) Executes Corporation policy and acts as liaison to other organizations.
- (b) **Vice President**
 - (i) Performs all the duties of the President in his or her absence, and in case of vacancy, becomes President.
 - (ii) Acts as Chairperson of the ride planning committee, maintains the ride files, and has general responsibility for the ride program.
 - (iii) Appoints and instructs leaders for the scheduled Club rides.
- (c) **Recording Secretary**
 - (i) Records and maintains the minutes of the meetings of members, special meetings, and meetings of the Board of Directors.
 - (ii) Preceding each meeting, provides the Chair with a list of unfinished business to be considered.
 - (iii) Gives notice of all meetings of the members and of the Board as required by the Bylaws.
 - (iv) Keeps the seal of the Corporation and related legal documents in safe custody.
 - (v) Reports to the membership and the Board of Directors the official communications, inquiries, and requests addressed to the Club and prepares responses.
- (d) **Treasurer**
 - (i) Acts as the chief financial officer of the Corporation.
 - (ii) Receives all funds due the Club and pays Club bills in accordance with the budget.
 - (iii) Sets up savings and checking accounts which honor any two of the following Officers' signatures: President, Vice President, Recording Secretary, or Treasurer.
 - (iv) Maintains the books of the Corporation and presents them for audit to a committee seven days prior to the expiration of term of office.
 - (v) Acts as Chairperson of the budget committee and presents, for approval by the Board of Directors and the

members, the proposed budget for the coming year. The proposed budget shall be presented at the May meeting of members.

- (vi) Maintains the roster of Club members.
- (d) **Director at Large**
 - (i) Assists in general administration of the Club.
 - (ii) Acts as liaison with other organizations regarding area, regional, or national events. Coordinates Club schedule with master calendars.

ARTICLE IX Directors

SECTION 1. Number

The authorized number of Directors shall be five (5) and shall be the Officers while holding office.

SECTION 2. Powers

- (a) General corporate powers. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the members, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.
- (b) Specific powers. Without prejudice to these general powers, and subject to the same limitations, the Directors shall have the power to:
 - (i) Select and remove all agents, committees, and employees of the Corporation; prescribe any duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws.
 - (ii) Adopt, make and use a corporate seal; prescribe the forms of membership cards, and certificates; and alter the form of the seal and cards.
 - (iii) To remove a Director and Officer, subject to concurrence of a two-thirds majority vote at a meeting of members.

SECTION 3. Term of Office

Election and term of office for Directors shall coincide with that specified for the Corporation Officers.

SECTION 4. Vacancies

Vacancies occurring in the Board of Directors due to death, resignation, or removal, shall be filled with an appointment by the Board of Directors, subject to the concurrence of a majority of members present and voting at the meeting of the members. No Director may resign when the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.

SECTION 5. Place of Meetings; Meeting by Telephone

Regular meeting of the Board of Directors may be held at any place that has been designated from time-to-time by resolution of the Board. Any meeting, regular or special, may be held by conference telephone so long as all Directors participating in the meeting can hear one another.

SECTION 6. Regular Meetings

Regular meetings of the Board of Directors shall be held without call at such time as shall from time-to-time be fixed by the Board. Such regular meetings may be held without notice.

SECTION 7. Special Meetings

- (a) Authority to call. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board or the President, or the Vice President, the Recording Secretary or any two Directors.
- (b) Notice.
 - (i) Manner of giving. Notice of the time and place of special meetings shall be given to each Director by one of the following methods: personal delivery; First Class mail; telephone; telegram.
 - (ii) Time requirements. Notices sent by mail shall be deposited at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered at least 48 hours before the time set for the meeting.

SECTION 8. Quorum

A majority (three Directors) of the authorized number of Directors shall constitute a quorum for the transaction of business.

SECTION 9. Fees & Compensation of Directors

Directors, Officers, and members of committees may not receive compensation for their services. Reimbursement of expenses, as may be determined by resolution of the Board to be just and reasonable, is permitted.

ARTICLE X Committees

The Board of Directors may designate one or more committees to serve at the pleasure of the Board. The Board may adopt rules for the government of any committee not inconsistent with these Bylaws. Any committee, to the extent provided by the Board shall have all the authority of the Board, except that no committee may:

- (a) Take final action on matters which, under the Nonprofit Corporation Law of California, also requires approval of the members.
- (b) Fill vacancies on the Board of Directors or in any committee.
- (c) Amend or repeal Bylaws, or adopt new Bylaws.
- (d) Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable.
- (e) Appoint any other committees of the Board of Directors or the members of these committees.
- (f) Approve any transaction to which the Corporation is a party and one or more Directors have a material financial interest.

ARTICLE XI Indemnification of Directors, Officers, Employees, & Other Agents

SECTION 1. Definitions

For the purpose of this Article:

- (a) "Agent" means any person who is or was a Director, Officer, employee, committee member, or any other Agent of this Corporation.
- (b) "Proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and,
- (c) "Expenses" includes, without limitation,
 - (i) All attorneys' fees, costs, and any other expense incurred in the defense of any claims or proceedings against an Agent by reason of his position or relationship as agent;
 - (ii) All attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

SECTION 2. Successful Defense By Agent

To the extent that an Agent of this Corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the claim. If an Agent either settles any such claim or sustains a judgement rendered against him, then the provisions of Sections 3 through 5 shall determine whether the agent is entitled to indemnification.

SECTION 3. Actions Brought by Persons Other Than the Corporation

Subject to the required findings to be made pursuant to Section 5, below, this Corporation shall indemnify any person who was or is a party to any proceeding by reason that such person is or was an agent of this Corporation, for all expenses, judgements, fines, settlements, and other amounts actually and reasonably incurred in the proceeding. Exceptions. The corporation shall not indemnify for:

- (i) An action brought by, or on behalf of, this Corporation, or by an Officer, Director or person granted related status by the Attorney General.
- (ii) An action brought by the Attorney General on the ground that the defendant Director was or is engaging in self-dealing within the meaning of the California Corporations Code.
- (iii) An action brought by the Attorney General for any breach of duty relating to assets held in charitable trust.

SECTION 4. Action Brought By or On Behalf of the Corporation

- (a) Claims settled out of court. If any Agent settles an action brought by this Corporation, with or without court approval, the Agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or for any expenses incurred in defending against the proceeding.
- (b) Claims and suits awarded against Agent. This Corporation shall indemnify any person who was or is a party to any action brought by this Corporation by reason of the fact that the person is or was an Agent of this Corporation, for all expenses incurred in the defense of that action, provided that both of the following are met:
 - (i) The determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that Section; and
 - (ii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent should be entitled to indemnity. If the Agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

SECTION 5. Determination of Agent's Good Faith Conduct

The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

- (a) Required standard of conduct. The Agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he believed to be in the best interest of this Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgement, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith, or in a manner which he reasonably believed to be in the best interest of this Corporation or that he had reasonable cause to believe that his conduct was unlawful.
- (b) Manner of determination of good faith conduct. The determination that the Agent did act in a manner complying with paragraph (a) above, shall be made by:

- (i) The Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to the proceeding;
- (ii) The affirmative vote of a majority at a meeting of members;
- (iii) The court in which the proceeding is or was pending.

SECTION 6. Limitations

No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5 (b)(iii), in any circumstances when it appears that:

- (a) The indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, a resolution of the members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding.
- (b) The indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

SECTION 7. Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by this Corporation before the final disposition of the proceeding on receipt of an undertaking by the Agent to repay the amount of the advance, unless it is determined ultimately that the Agent is entitled to be indemnified as authorized by this Article.

SECTION 8. Contractual Rights of Non-Directors and Non-Officers

Nothing contained in this Article shall affect any right to indemnification to which persons other than Directors and Officers of this Corporation may be entitled by contract or otherwise.

SECTION 9. Insurance

The Board of Directors may authorize the purchase of insurance on behalf of any Agent of the Corporation against any liability incurred by the Agent arising out of the Agent's status as such, whether or not this Corporation would have the power to indemnify the Agent against that liability under the provisions of this section.

ARTICLE XII Records and Reports

SECTION 1. Inspection Rights

Any member of the Corporation may, upon five days prior notice to the Corporation Secretary, inspect and copy:

- (a) The names and addresses of members, and determine their voting rights.
- (b) The minutes of meetings of members, meetings of the Board of Directors, and of committees.
- (c) The Articles of Incorporation and Bylaws as amended to date.

SECTION 2. Inspection by Directors

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation. This inspection by a Director may be made in person or by an agent or attorney, and includes the right to copy and make extracts of documents.

SECTION 3. Annual Report

The annual report to members referred to in the California Nonprofit Corporation Law is expressly dispensed with, but nothing in these Bylaws shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the members as they consider appropriate. However, the Corporation shall provide to the Directors, and to those members who request it in writing, within 120 days of the close of its fiscal year, a report containing the following information in reasonable detail:

- (a) The assets and liabilities of the Corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities during the fiscal year.
- (c) The revenue or receipts, and the expenses or disbursements of the Corporation during the fiscal year.

ARTICLE XIII Amendments

These Bylaws may be amended at a scheduled meeting of members, or special meeting, by an affirmative vote of two-thirds of the members present and voting, provided that the proposed amendments shall have been presented in writing at one previous meeting of members, and have appeared in one edition of the Club bulletin.