

BYLAWS
OF
FUND FOR SANTA BARBARA, INC.

ARTICLE I. OFFICES

Principal Office

Section 1.01. The principal office of the Corporation for its transaction of business is located at, 924 Anacapa St., Suite 4H in the City of Santa Barbara, State of California.

Change of Address

Section 1.02. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in California. Any such change shall be noted by the Secretary in the Bylaws, but shall not be considered an amendment to these Bylaws.

ARTICLE II. PURPOSES

Section 2.01. The primary objective and purpose of this Corporation is to provide resources to organizations and projects in Santa Barbara County involved in promoting progressive social change at the grassroots level, educating the community about social and economic conditions and organizing people to confront fundamental problems affecting their lives.

ARTICLE III. MEMBERS

No Members

ARTICLE IV. DIRECTORS

Number

Section 4.01. The Corporation shall have up to twenty-one (21) Directors. Collectively, the Directors shall be known as the Board of Directors.

Qualifications

Section 4.02. The Directors of the Corporation shall be persons who have demonstrated ability to contribute time, effort or resources to the-goals, purposes and activities of the Fund for Santa Barbara.

Notwithstanding any other provision of these Bylaws, no person serving on the Board may be interested persons. For purposes of this Section, "interested person" means either:

(a) Any person currently being compensated by the Corporation for services rendered to it within the previous twelve months, whether as a full or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director for actual and necessary expenses incurred in the performance of their regular duties pursuant to Section 4.06, or:

(b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person.

Term of Office

Section 4.03. Each Director shall hold office for the term of three (3) years. No director may serve more than two (2) consecutive terms. Following two consecutive terms, a director must relinquish the office for one year before becoming eligible for reelection to the office of director.

Nomination

Section 4.04. Any person qualified to be a Director under Section 4.02 of these Bylaws may be nominated by the method of nomination authorized by the Board or by any other method authorized by law.

Election

Section 4.05. Directors may be elected at any regular meeting of the Board as prescribed by Section 4.07 of these Bylaws. The candidates receiving the highest number of votes up to the number of Directors to be elected are elected.

Compensation

Section 4.06. The Directors shall serve without compensation except that subject to guidelines to be adopted by the Board of Directors they may be allowed and paid their actual and necessary expenses incurred in attending the meetings of the Board or in carrying out their regular duties as a member of the Board of Directors.

Meetings

Section 4.07.

(a) Place of Meetings. All meetings of the Board shall be held at the principal office of the Corporation as specified in Section 1.01 of these Bylaws or as changed from time to time as provided in Section 1.02 of these Bylaws unless otherwise designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held at the principal office of the Corporation shall be valid only if held on the written consent of all Directors given either before or after the meeting and filed with the Secretary of the Corporation or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the Board.

(b) Regular and Annual Meetings. Regular meetings of the Board of Directors shall be held, with notice a minimum of four times per year at a place determined by resolution of the Board.

(c) Special Meetings. Special meetings of the Board may be called by the President or any Vice-President or Secretary or any two (2) Directors. Special meetings shall be held on four (4) days' notice by first-class mail, postage prepaid, or on forty-eight (48) hours' notice delivered personally or by telephone or telefax. Such notices shall be addressed to each Director at his or her address shown on the books of the Corporation and specify the place, day and time of the meeting. The purpose(s) of such a meeting must be specified in such notice. Notice of the special meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of such notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Business transacted at special meetings must be limited to the subjects set forth in the meeting notice.

(d) Quorum. One-third (1/3) of the authorized number of Directors constitutes a quorum of the Board of Directors for the transaction of business, except as hereinafter provided.

(e) Transactions of the Board. Except as otherwise provided in the Articles, in these Bylaws, or by law, including but not limited to provisions of the California nonprofit Public Benefit corporation Law relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238(e)), every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, Any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken shall be approved by at least a majority of the required quorum for such meeting, or such greater number as is required by law, the Articles or these Bylaws.

(f) Conduct of Meetings. The President or, in his or her absence, the Vice-President, of the Corporation shall preside at meetings of the Board of Directors. In the absence of either of these persons, any Director selected by the majority of the Directors present shall preside at meetings of the Board of Directors. The Secretary of the Corporation or, in the Secretary's absence, any person appointed by the presiding officer, shall act as Secretary of the

Board. Members of the Board of Directors may participate in a meeting through the use of a conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Such participation shall constitute personal presence at a meeting. Meeting shall be governed by Robert's Rules of Order, as such Rules may be revised from time to time, insofar as such Rules are not inconsistent with or in conflict with the Bylaws or Articles of Incorporation of this Corporation or with provisions of law.

(g) Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjourning to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Action Without Meeting

Section 4.08. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors. For purpose of this section, "all members of the Board of Directors" shall not include any "interested directors" as defined by Corporations Code section 5233.

Removal of Directors

Section 4.09.

(a) Removal for Cause. The Board of Directors may declare vacant the office of a Director on the occurrence of any of the following events:

- (1) The Director has been declared in need of a guardian or conservator by a final order of court; or**
- (2) The Director has failed to attend three (3) consecutive meetings or six (6) meetings in a twelve (12) month period prior, unless such Director has requested and received a leave of absence from the Board. At the following Board meeting, the remaining Directors may agree, by a majority of the Directors present, to reinstate a Director removed by this provision.**
- (3) The Director is convicted by any court of competent jurisdiction, of committing a felony.**
- (4) The Director is found by a final order or judgment of any court of competent jurisdiction, to have breached the statutory duties relating to a Directors standard of conduct as proscribed by California Corporations Code sections 5230-37 and 5221.**

(b) **Removal Without Cause.** Any Director may be removed without cause if such removal is approved by the Board of Directors within the meaning of Section 5023 of the Corporations Code.

Resignation of Director

Section 4.10. Any Director may resign effective upon written notice to the President, the Secretary, or the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective. A Director shall not resign where the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.

Vacancies of Director

Section 4.11.

(a) **Causes.** Vacancies of the Board of Directors shall exist on the death, resignation or removal of any Director; whenever the number of Directors authorized is increased; and on the failure of the members in any election to elect the full number of Directors authorized.

(b) **Filling Vacancies.** Except for a vacancy created by the removal of a Director pursuant to Section 4.09 of these Bylaws, vacancies on the Board of Directors may be filled by a majority vote of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director.

Non-Liability of Directors

Section 4.12. The Directors shall not be personally liable for the debts, liabilities or other obligations of the Corporation.

Indemnification by Corporation of Directors, Officers, Employees and Other Agents

Section 4.13. To the extent that a person, who is, or was, a Director, Officer, employee or other agent of this Corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or as, an agent of the Corporation, such person may, in the sole discretion of the Board of Directors, be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustained a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings in the sole discretion of the Board of

Directors, be provided by this Corporation but only to the extent allowed by, and in accordance with the requirements of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

If such person is a member of the board of directors at the time the board considers the issue of indemnification, said person shall not vote on that issue.

Section 4.14. The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a Director, Officer, employee or other agent of the Corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

Section 4.15. (revised 03/16/98) Directors may be allowed to take up to a 6 month leave of absence as determined by resolution of the Board of Directors.

ARTICLE V. OFFICERS

Number and Titles

Section 5.01. The officers of the Corporation shall be a President, a Vice-President, a Secretary, a Chief Financial Officer (Treasurer), and such other officers with such titles and duties as shall be determined by the Board and as may be necessary to enable it to sign instruments. The President is the general manager and chief executive officer of the Corporation. Any number of offices may be held by the same persons, except that neither the Secretary nor the Chief Financial Officer shall serve concurrently as the President.

Qualification, Election and Term of Office

Section 5.02. Any person may serve as officer of this Corporation. Officers shall be elected by the Board of Directors at the annual meeting which shall be held in October of each year in conjunction with the regular Board meeting. The term of office shall be one (1) year.

Duties of Officers

Section 5.03. (revised 03/16/98)

(a) President. The President, or Co-Presidents, shall be the chief executive officer(s) of the Corporation and shall, subject to the control of the Board of Directors, have supervision, direction and control of the business and affairs of the Corporation. Such officer(s) shall preside at all meetings of the Board of Directors. Such officer(s) shall perform all duties incident to the office of President and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be prescribed

from time to time by the Board of Directors. The President(s) is/are hereby authorized to exercise any right to vote or execute a proxy to vote shares of stock of, any bonds, debentures or other evidences of indebtedness of, any other corporation or corporations owned or possessed by the Corporation.

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

(c) Secretary. The Secretary shall keep or cause to be kept at the principal office of the Corporation, or such other place as the Board of Directors may order, a book of minutes of all meetings of the Board of Directors. The Secretary shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors.

(d) Chief Financial Officer/Treasurer. The Chief Financial Officer of the Corporation shall keep and maintain in written form or in any other form capable of being converted into written form, adequate and correct books and records of account of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, investments, gains and losses. The books and records of account shall at all times be open to inspection by the Directors of the Corporation. The Chief Financial Officer shall deposit all monies and other valuables in the name of and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. The Chief Financial Officer shall disburse the funds of the Corporation as ordered by the Board of Directors and shall render to the President and the Directors on request an account of all such officer's transaction as Chief Financial Officer, and of the financial condition of the Corporation. The Chief Financial Officer shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or these Bylaws.

The Board of Directors may appoint one or more assistant treasurers to carry our specific duties within the areas of responsibilities of the Chief Financial Officer. Such duties can only be delegated by written resolution of the Board. Said assistant treasurers need not be Directors nor officers of the Corporation.

(e) Executive Director. The Executive Director shall serve as an Officer in the capacity of General Manager of the Corporation. The Executive Director shall, subject to control of the Board of Directors, have daily supervision, direction and control of the business and affairs of the Corporation. The Executive Director is authorized to sign and file documents as necessary in order to keep the Corporation in good legal standing with governmental agencies and to sign checks, drafts, promissory notes, and other evidence of indebtedness of the Corporation.

Resignation and Removal of Officers

Section 5.04. Any officer may resign at any time on written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Officers may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of all the Directors.

Vacancy

Section 5.05. Any vacancy caused by the death, resignation, removal, disqualification or otherwise of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in the offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

Compensation

Section 5.06. The salaries of the officers or staff employees who are not officers, if any, shall be fixed from time to time by resolution of the Board of Directors and no officers shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Corporation. No director who has a material financial interest in said salary shall participate in the decision to pay the salary or in fixing the amount thereof. In all cases, any salaries paid to officers or staff employees of this Corporation shall be reasonable and given in return for services actually rendered the Corporation which relate to the furtherance of its charitable purpose.

ARTICLE VI. COMMITTEES

Executive Committee

Section 6.01. The Board of Directors may, by a majority vote of Directors then in office, designate two (2) or more of its members (who may also be serving as officers of this Corporation) to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- (a) The filling of vacancies on the Board or on any committee which has the authority of the Board.
- (b) The fixing of compensation of the Directors for serving on the Board or on any committee.
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws.

(d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.

(e) The appointment of committees of the Board or the members thereof.

(f) The expenditure of corporate funds to support a nominee or Director after there are more people nominated for Director than can be elected.

(g) The approval of any transaction to which this Corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Benefit Corporation Law.

The Executive Committee may, in turn, delegate any of its lawful powers and authority to employees of the corporation who are hired by the board of directors. Such employees may be officers, but not directors, of the corporation.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2), the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

Other Committees

Section 6.02. The Corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" committees.

Meetings and Action of Committees

Section 6.03. Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaws provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of the committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE VII. EXECUTION OF INSTRUMENTS DEPOSITS AND FUNDS

Execution of Instruments

Section 7.01. The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Corporation by any contact or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Checks and Notes

Section 7.02. (revised 03/16/98) Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, draft, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by one or more Officers of the Corporation.

Deposits

Section 7.03. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Gifts

Section 7.04. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the charitable or public purposes of this Corporation.

ARTICLE VIII. CORPORATION RECORDS AND REPORTS

Maintenance of Corporate Records

Section 8.01. The Corporation shall keep at its principal office in the State of California:

- (a) Minutes of all meetings of Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- (c) A copy of the Corporation's Articles of Incorporation and Bylaws.

Directors' Inspection Rights

Section 8.02. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

ARTICLE IX. ANNUAL REPORT

Section 9.01. The Board shall cause an annual report to be furnished not later than one hundred twenty (120) days after the close of the Corporation's fiscal year to all Directors of the Corporation, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes for the fiscal year.
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes during the fiscal year.
- (e) Any information required by Section 9.02 of this Article IX.

Annual Statement of Specific Transactions to Members

Section 9.02. This Corporation shall mail or deliver to all directors a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction in which the Corporation, or its parent or its subsidiary was a party, and in which any director or officer of the Corporation had a direct or indirect material financial interest.

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

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

ARTICLE X. FISCAL YEAR

Fiscal Year of the Corporation

Section 10.01. The fiscal year of the Corporation shall begin on January 1 and end on December 31, of each year.

ARTICLE XI. BYLAWS

Section 11.01. Subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended or repealed and new Bylaws adopted by a vote of the majority of the then-existing members of the board of directors.

Certain Amendments

Section 12.02. Notwithstanding the above Sections of this Article, this Corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first Directors of this Corporation nor the name and address of its initial agent, except to correct an error in such statement or to delete either statement after the Corporation has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 62109 of the California Nonprofit Corporation Law.

CERTIFICATE OF SECRETARY

OF

FUND FOR SANTA BARBARA, INC.

A California Nonprofit Corporation

I hereby certify that I am the duly elected and acting Secretary of said Corporation and that the foregoing Bylaws, comprising thirteen (17) pages, constitute the Bylaws of said Corporation as duly adopted at a meeting of the Board of Directors thereof held on

_____.

Secretary

Dated: _____