

BYLAWS
PENINSULA FRIENDS OF THE LIBRARY

Article I. Name

The name of this corporation shall be Peninsula Friends of the Library, hereafter PFL.

Article II. Principal Office

The principal office for the transaction of business of PFL shall be located at the Palos Verdes Library District Peninsula Center Library, 701 Silver Spur Rd, Rolling Hills Estates in Los Angeles County, California with mailing address as follows:

Post Office Box 2361, Palos Verdes Peninsula, CA, 90274

The Board of Directors is granted authority to change said Principal Office from one location to another. Any such change shall be noted by the Secretary opposite this Article, but shall not be considered an amendment to these Bylaws.

Article III. Purpose

The purpose of PFL shall be to raise funds to support the Palos Verdes Library District (hereafter PVLD) and to build community awareness and enthusiasm for PVLD programs, services and needs. Any funds raised or received by PFL must be used solely to support the missions of PVLD and PFL.

Article IV. Dissolution

In the event of dissolution of PFL, all assets remaining after liquidation of all debts and liabilities shall be distributed to PVLD.

Article V. Membership

Section 5.01 General

Membership in PFL shall be open to all individuals in support of its purposes. Members in good standing are those who are current on the annual dues obligation. A member in good standing shall be a full voting member of PFL and shall be entitled to such rights and privileges as determined from time to time by the Board of Directors.

Section 5.02 Categories of Membership

The Board of Directors may establish various categories of membership and establish the dues, rights, and privileges for each. Dues will not be pro-rated or refunded upon the death, retirement, or resignation of a member.

Article VI. Board of Directors

Section 6.01 Powers

PFL shall have powers to the full extent allowed by law. All powers and activities of PFL shall be exercised and managed by the Board of Directors directly or, if delegated, under the ultimate direction of the Board.

Section 6.02 Number and Qualifications of Voting and Non-voting Members of the Board of Directors

Voting Members

- (i) All elected Directors are voting members.
- (ii) Immediate Past President, if his or her term as a Director has ended.

Non-voting Members

- (iii) Designated appointees by the Board of Directors.
- (iv) *Ex officio*, the PVLD District Director.
- (v) *Ex officio*, the president of PVLD Board of Library Trustees, or his or her designee.

All members of the Board must be current members of PFL.

Number

- (vi) The Board shall consist of no fewer than thirteen or no more than nineteen members, until such number of Directors is changed by amendment to the Articles of Incorporation or by amendment to these Bylaws as specified in Article XVI below.

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Section 6.03 Officers

The officers of PFL shall be a President, Vice President, Secretary and Treasurer.

These officers shall be elected by, and from and among, the Board of Directors at the January Board meeting, to begin their term of office immediately. The term of office shall be one year.

a) President

Subject to the Board of Directors' guidance and approval, the President shall have general supervision, direction, and control of the business and affairs of PFL, including supervision of PFL employees or contractors, if any. The President shall preside at all meetings of the Board of Directors and general meetings of members, and shall have such other powers and duties as may be prescribed from time to time by the Board. The President shall be an *ex officio* member of all committees except the Nominating Committee and the Audit Committee.

b) Vice President

Vice President shall support the President in all of his or her responsibilities. In the absence of the President, the Vice President shall preside at all meetings and functions.

c) Secretary

The Secretary shall keep a full and complete record of the proceedings of the Board of Directors and the Executive Committee, shall keep the seal of the Corporation and affix it to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of the Corporation, and shall discharge such other duties of the office as prescribed by the Board or these Bylaws.

d) Treasurer

The Treasurer shall receive and safely keep all funds of the Corporation and deposit them in the financial institutions designated by the Board of Directors.

The Treasurer shall ensure that no funds of the Corporation may be paid out other than as specified in applicable board policy. The Treasurer shall have other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

Section 6.04 Term of Office and Election

The term of office of each elected Director shall be one year. Terms of office shall commence on January 1 and shall terminate on December 31.

Election of Directors shall be at the annual general meeting of the PFL membership or any such special meeting called to consider such matters.

Section 6.05 Nomination of Elected Directors

Nominations for election of Directors shall be presented by a Nominating Committee of three as specified in section 7.03(b).

Nominations from the floor will be invited, although no one may be nominated without his or her consent.

Section 6.06 Resignation and Removal

Resignation of a member of the Board of Directors shall be submitted in writing to the President or Secretary of PFL. Resignations shall be effective immediately unless a later date is specified or agreed to in the resignation.

Any Officer or Director may be removed from office. A motion for removal may not be voted on until the meeting following the one at which the motion is presented. Removal requires a two-thirds vote of the Board members present.

Section 6.07 Vacancies

Vacancies of elected members of the Board of Directors, with the exception of the President, shall be filled for the remainder of the term by an appointment by the President and on approval of the Board by majority vote at the next meeting of the Board.

A vacancy shall occur upon death, resignation, or absence from three successive meetings of the Board of

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Directors without satisfactory explanation.

Upon vacancy of the office of President, the Vice President shall assume the duties of the President for the remainder of the term.

Section 6.08 Quorum

A majority of the voting membership of the Board of Directors shall constitute a quorum for the transaction of business.

Section 6.09 Political Involvement

No member of the PFL Board of Directors shall, in his or her titled capacity as a member of the Board, endorse or oppose any candidate for public office or any measure in a ballot measure, or any issue which is the subject of public debate.

Section 6.10 Compensation

No Director of PFL shall receive any compensation for his or her services as a Director with the exception of reimbursement of reasonable expenses incurred in performance of his or her responsibilities to PFL in accordance with any policies established by the Board.

Article VII. Committees

Section 7.01 Creation and Authority of Committees

The Board of Directors may create and appoint such committees as it deems fit to serve at the pleasure of the Board, and may delegate to such committees such responsibilities of the Board as it wishes, except that any committee of the Board may not:

- (i) take any final action on any matter that, under the California Non-Profit Public Benefit Corporation Law, requires the approval of the members,**
- (ii) fill vacancies on the Board or on any committee that has the authority of the Board,**
- (iii) amend or repeal Bylaws or adopt new Bylaws,**
- (iv) amend or repeal any resolution of the Board, or take any action inconsistent with any action previously taken by the Board then in office,**
- (v) create any other committees of the Board or appoint the members of the committees of the Board,**
- (vi) approve any contract or transaction to which PFL is a party unless specifically authorized by a resolution of the Board, or**
- (vii) take any other action inconsistent with the Articles of Incorporation, these Bylaws, or the Corporations Code of the State of California.**

The Board may delegate management of PFL activities to the extent permitted under the California Corporations Code. Any action taken by a committee must be pursuant to current PFL policies and procedures. Any action taken by a committee is subject to review and/or rescission by the Board provided, however, that no rescission shall attempt to negate the legal rights of a third party.

Section 7.02 Appointments to Committees

Appointments to committees of the Board, whether a Standing Committee, as in Section 7.03 below, or an ad hoc committee, shall be made by the President, with the agreement of the chair of the committee to which the appointment is being made. All chairs of committees must be Directors and shall be appointed by the President and ratified by the Board of Directors. All committee members' names shall be submitted to the Board. All committee members must be members of PFL. A committee member need not, however, be a Director, except as specified below in Section 7.03 (a) through (e). The Board, in its discretion, may remove a member of any committee from the committee by majority vote.

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Section 7.03 Standing Committees

a) Executive Committee

The Executive Committee shall be composed of the President, who shall be the chair, and the Vice President, Secretary, and Treasurer.

The Executive Committee shall be authorized to act on behalf of the Board on matters requiring immediate action by the Board between official Board meetings subject to the limitations in Section 7.01 above, and shall report its minutes to the Board. Any action taken or proposed by the Executive Committee shall be ratified by the Board at the next regularly scheduled Board meeting.

b) Nominating Committee

The Nominating Committee shall be composed of the Immediate Past President, who shall be chair, and two other Board members, who shall be approved by a majority vote of the Board.

Selection of Nominating Committee members, other than the chair, shall be made at a regular meeting of the Board not less than sixty days before the annual general meeting or any special general meeting called to consider such matters. Those appointed to the Nominating Committee may not have served as members of the Nominating Committee during the preceding term. The Nominating Committee shall prepare a slate of directors for approval at the annual general meeting, or any special general meeting called to vote on Directors. The Nominating Committee shall also prepare a slate of Officers for the first Board meeting of the new term in January.

c) Governance Committee

The Governance Committee shall be composed of the Vice President, who shall be chair, and two other Board members, who shall be approved by a majority vote of the Board. The Governance Committee shall be responsible for strengthening Board structure to respond to the changing environment and to ensure long term resources; ensuring that PVL D's needs are met; creating efficient and effective Board procedures; developing Board members; and enhancing Board sustainability.

d) Investment Committee

The Investment Committee shall be composed of the Director charged with managing PFL's investments, who shall be chair, and two other members, who may or may not be members of the Board, and who shall be approved by a majority vote of the Board. The Investment Committee shall be responsible for recommending and executing the philosophy, strategies and policies for investment and prudent fiscal management of PFL financial resources. The Investment Committee shall present to the Board at least quarterly a report detailing all fiscal matters and decisions for such period. See Section 9.04 below.

e) Audit Committee

The Audit Committee is composed of the Director charged with managing the annual audit of PFL's books and records, who shall be chair, and two other Board members, who shall be approved by a majority vote of the Board. The Audit Committee shall make recommendations to the Board regarding the hiring and termination of an auditor. The Audit Committee, with the auditor, shall determine that the corporation's financial affairs are in order. The Audit Committee shall not include the following persons:

(i) The President of PFL

(ii) The Treasurer of PFL

(iii) Any employee of PFL

(iv) Any person with a material financial interest in any entity doing business with PFL.

In the event that the President appoints a Finance Committee, members of the Finance Committee must constitute less than one-half of the membership of the Audit Committee and the Chair of the Finance Committee shall not serve on the Audit Committee.

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Article VIII. Meetings

Section 8.01 Annual General Meeting

PFL shall hold an annual general meeting between September 15 and December 15 to receive various reports, hold election of Directors and to enact any other business. A quorum shall consist of the members present. A written notice of the annual general meeting shall be sent to all members at least one month in advance. It will contain an agenda of business to be conducted as well as names of the nominees for Directors as presented by the Nominating Committee. A statement will be included that nominations will be accepted from the floor with the consent of the nominee.

Section 8.02 Additional General Meetings

Additional general meetings may be scheduled as approved by a majority vote of the Board of Directors. A written notice of the meeting and the proposed agenda shall be sent to each member at least one month in advance.

Section 8.03 Board of Directors Meetings

The Board of Directors shall meet at least quarterly during the year. Minutes of every Board meeting shall be available to each member of the Board no later than ten days after the meeting.

Section 8.04 Special Meetings

Special meetings of the Board of Directors may be called at any time for any PFL purpose(s) by the President or by any five Directors. Written notice of the time and place of special meetings shall be delivered personally to each Director, or sent to each Director by mail, or by written electronic communication (e.g. via e-mail or facsimile transmission). The notice shall be mailed or delivered at least five days before the date of the meeting.

Section 8.05 Action Without a Meeting

Any action required or taken by the Board of Directors may be taken without a meeting if all Directors have been notified and two-thirds of the Directors have consented in writing, including e-mail or facsimile transmission, to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 8.06 Notice

Whenever notice is required herein, such notice may be provided electronically (e.g. via e-mail or facsimile transmission) to members or Directors who have designated an electronic method and address to receive such notices. If the roster of Directors or members reflects an e-mail or other electronic transmission address, such Director or member shall be deemed to have made a designation to receive notice at such electronic address as is designated.

Article IX. Funds/Fiscal Management

Section 9.01 Fiscal year

The fiscal year of PFL shall begin on July 1 and end on June 30.

Section 9.02 Budget

An annual budget shall be approved not later than July 31. The budget may be revised by a majority vote of the Board of Directors. Funds may be disbursed by the Treasurer not to exceed the budget in any category. Any proposed expenditure exceeding the budget in that category shall be approved by a majority vote of the Board, and such approval shall constitute a revision to the budget.

Section 9.03 Financial Records

The Treasurer is responsible for maintaining adequate financial records and for providing a financial report to the Board at its regular meetings. A year-to-date financial report shall also be given to the membership at the annual

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general meeting.

Section 9.04 Investments - General

Funds received by PFL may be invested through banks, other savings institutions, or licensed securities brokerages in liquid savings investments or savings instruments.

The Investment Committee, with the approval by a majority vote of the Board, shall establish the overall investment philosophy, strategies and policies of PFL.

Section 9.05 Endowment Fund

The PFL Endowment Fund ("Fund") shall contain money and/or property donated to PFL for permanent investment and income. The Fund shall also contain funds received by PFL from its fundraising activities and designated to the Endowment Fund by the Board.

Section 9.06 Gifts in Kind

Gifts to the PFL shall comply with gift acceptance policies established by the Board of Directors. The Board of Directors may, in its absolute discretion, reject any gift.

Section 9.07 Prohibited Transactions

a) Loans

Except as permitted by Section 5236 of the California Nonprofit Benefit Corporation Law as amended, PFL shall not make any loan of money or property to, or agree the obligation of, any Director or Officer; provided however, that PFL may advance money to a Director or Officer for expenses reasonably anticipated to be incurred in performance of the duties of such Director or Officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

b) Self Dealing Transactions

Except as provided in Section (c) below, the Board of Directors shall not approve, or permit PFL to engage in, any self-dealing transaction. A self-dealing transaction is one to which PFL is a party and in which one or more of its Directors has a material financial interest.

c) Approval

PFL may engage in a self-dealing transaction if the transaction is approved by the court or by the Attorney General or if the Board determines, before the transaction is enacted, that (1) PFL is entering into the transaction for its own benefit, (2) the transaction is fair and reasonable to PFL at the time, and (3) after reasonable investigation the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the Director's interest in the transaction, and by a vote of the majority of the Directors then in office, without counting the vote of the interested Director or Directors.

Article X. Grants Administration

Section 10.01 Purpose of Grants

PFL shall have the power to make grants and contributions and to render other financial assistance for the purpose expressed in this corporation's Articles of Incorporation.

Section 10.02 Exclusive Power of the Board of Directors

The Board of Directors, in its absolute discretion, shall have the right to make any grants or contributions, or to render other financial assistance, for any or all of the purposes for which the funds are requested. In addition, the Board, in its absolute discretion, shall have the right to withdraw its approval of any grant at any time and use the funds for other purposes within the scope of the purposes expressed in this corporation's Articles of Incorporation.

Section 10.03 Accounting Required

The Board of Directors may require that grantees furnish a periodic accounting to show that the funds granted by PFL were expended for the purposes that were approved by the Board.

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Section 10.04 Restrictions on Contributions

PFL shall retain complete control and discretion over the use of all contributions it receives subject to any restrictions proposed by the donor and accepted by PFL.

Article XI. Standard of Care

A Director shall perform the duties of a Director, including duties as a member of any Board Committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of PFL, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, the Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

one or more Officers, Directors, or employees of PFL or the PVLCD whom the Director believes to be reliable and competent as to the matters presented;

counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

a Board Committee upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such Committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

A person who performs the duties of a Director in accordance with this Section, excepting if that person has an undisclosed conflict of interest in the operation of the corporation, shall have no liability based upon any failure or alleged failure to discharge that person's obligations as Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which this corporation, or assets held by it, are dedicated.

Article XII. Indemnification

PFL shall, to the maximum extent permitted by California law, indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she was a Director or Officer of the Corporation, against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

PFL may also indemnify any employee or other agent to the maximum extent permitted by California law; however in no event shall such indemnification be provided for any act of fraud, willful misconduct, or gross negligence.

The indemnification provided herein shall not be deemed exclusive of any rights to which those seeking indemnification may be entitled under any agreement of otherwise, as to actions in his or her official capacity while serving as a Director, Officer, employee or agent and shall continue as to a person who has ceased to be a Director, Officer, employee or agent, and shall inure to the benefit of heirs, executors, and administrators of such person.

Article XIII. Inspection

Every member shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents and to inspect the physical properties of PFL.

Article XIV. Parliamentary Authority

All meetings shall be conducted according to Robert's Rules of Order, Revised, except when in conflict with these Bylaws or with the laws of the State of California.

Article XV. Voting; Vote by Proxy

Each eligible Board member, and each eligible PFL member, who is physically present at a regular or special meeting, is entitled to one vote. Voting by proxy is not permitted.

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Article XVI. Amendments

These Bylaws may be amended, revised or repealed by a two-thirds vote of the Board at a regular or special meeting. The Board may not, however, without a majority vote of the members of PFL at an annual or special meeting, adopt, amend or repeal a Bylaw provision specifying or changing a fixed number of Directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa. Such an amendment may only be adopted by majority vote of the members. Notice of proposed amendment(s) shall be in writing and communicated via mail, e-mail or facsimile, to each Director at least one month in advance of the meeting at which the changes are to be considered.

Article XVIII. Governing Law

In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Benefit Corporation Law or any other applicable State of California statute then in effect shall apply.

Accepted:

Helen Mirels
Corporate Secretary