

# **Bylaws of Santa Monica Mid City Neighbors (A California Non-Profit Benefit Corporation)**

## **Article I Identity**

### **Section 1. Name**

The name of this Corporation shall be “Santa Monica Mid City Neighbors.”

### **Section 2. General Statement**

Santa Monica Mid City Neighbors is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person or organization.

### **Section 3. Specific Purpose**

The purpose of this community organization is to advocate for residents of the Mid City neighborhood by participating in the democratic process, by working for a safe community, and by ensuring the integrity of our mission; therefore, the Santa Monica Mid City Neighbors, hereby, unite, and organize to work together to improve the quality of life in the community by gathering and disseminating information useful for the decision making process, and such other purposes as are set forth in the Articles of Incorporation.

### **Section 4. Geographical Territory**

The boundaries of Santa Monica Mid City Neighbors are;  
The west side of Centinela Avenue,  
The south side of Wilshire Boulevard,  
The east side of Lincoln Boulevard,  
And the north side of Colorado Avenue.

*(Adopted on March 24, 2014 by a vote of the membership and confirmed on May 3, 2014.)*

### **Section 5. Principal Offices**

The principal office of the Corporation shall be located in the City of Santa Monica, County of Los Angeles, and State of California. The Board is granted full power and authority to change the principal office location within the City of Santa Monica.

## **Article II Membership**

### **Section 1. Membership**

Any person who has any interest in the affairs of Santa Monica Mid City Neighbors and who subscribes to the purposes and rules of the Corporation, upon application and payment of the annual membership fee, may be a member of the Corporation.

### **Section 2. Membership Classification**

There are three classes of membership.

- A. Resident Members—people residing within the Santa Monica Mid City Neighbors’ boundaries may be voting members of the Corporation. These members may serve on the Board of Directors, hold a position as an Officer of the Corporation, and vote in general session and on the committees on which they serve.
- B. Liaison Members—people residing in a neighboring area contiguous to Santa Monica Mid City Neighbors’ boundaries and selected by the Board of Directors to serve as an official liaison to the neighboring area may be voting members of the Corporation. One member from each of the geographical areas of the Pico Neighborhood Association, Wilmont, and the Northeast Neighbors of Santa Monica may be selected to serve on the Board of Directors and on committees that reflect the purpose and goals of our shared missions.
- C. Associate Members—people not residing within the Santa Monica Mid City Neighbors’ boundaries may not be voting members of the Corporation. These members may not vote or hold any office, but they can participate on committees and in discussions at meetings.

### **Section 3. Membership Fee**

An annual fee for membership shall be recommended by the Board of Directors and ratified at the Annual Meeting. The Board may recommend a fee structure for each membership classification and other categories based on financial needs. (Annual fees paid on or after January 1<sup>st</sup> of the calendar year will be regarded as paid in full

until the end of the next calendar year.) New memberships must be paid in-full 30 days before the Annual Meeting to vote on current issues.

*(Amended at the May 3, 2014 Annual Membership Meeting)*

#### **Section 4. Termination**

Any member acting in opposition to the rules and procedures of the Corporation may have his/her membership terminated by approved action of the Board of Directors. An opportunity for a hearing will be afforded to the member. The member will be notified by U.S. mail sent to the address on file with the Corporation 30 days in advance of the meeting. A 2/3 vote of the Board will terminate the member with no return of annual dues. A member may reapply for membership after a one year lapse of time.

#### **Section 5. Liability**

No member shall be personally liable for the debts, liabilities, or obligations of the Corporation. Any and all creditors shall look only to the assets of the Corporation for payments.

#### **Section 6. No Endorsement**

No member shall use the name of the Corporation in connection with any endorsement without the prior authorization of the Board of Directors.

### **Article III Board of Directors**

#### **Section 1. Powers and Duties**

Subject to the limitations of the Articles of Incorporation and of these Bylaws and of applicable laws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by the Board of Directors. Without limiting the generality of the foregoing, the Board of Directors shall have the following powers:

- A. To select and remove all officers, agents and employees of the Corporation, establish their powers and duties in accordance with current law, the Articles of Incorporation and the Bylaws, and establish their compensation if any.
- B. To conduct, manage, and control the affairs and business of the Corporation and to make rules and regulations consistent with the law, with the Articles of Incorporation and the Bylaws as they deem best.
- C. To designate the principal office for the transaction of business of the Corporation within the City of Santa Monica, California, and to designate meeting places within or outside of the City of Santa Monica.
- D. To carry out the purposes of the Corporation.
- E. To implement the resolutions of the Corporation.
- F. To establish and dissolve committees as necessary.
- G. To receive reports from members, committees and others as appropriate.
- H. To recommend annual membership fees and institute the fees.
- I. To approve the Corporation's expenditures and budgets.
- J. To establish categories of memberships and recommendation of fees.
- K. To fill a vacancy on the Board of Directors until the next annual meeting.
- L. To have such powers and duties as prescribed by the members or the Bylaws.

#### **Section 2. Qualifications**

Each member of the Board of Directors must be a voting member of the Corporation.

#### **Section 3. Composition and Term**

- A. The Board of Directors shall be composed of 7 voting members.
- B. The number of Directors may be set by the Board from time to time.
- C. Board members shall be elected for (3) year terms. The terms will expire at the Annual Meeting on alternating years to maintain a consistent direction for the Corporation.

#### **Section 4. Elections**

- A. Elections for Members of the Board of Directors shall take place at the Annual Meeting except in cases of vacancies. The Board of Directors may select a voting member to fill a vacancy.
- B. Candidates to the Board of Directors shall be nominated by petition filed at least ten days before the Annual Meeting and signed by 10 current members of Santa Monica Mid City Neighbors. All such petitions must be submitted to an Executive Officer of the Board prior to the deadline listed above.

- C. To vote in an election, Resident Members and Liaison Members must have paid their annual fees at least 30 days prior to the election.

**Section 5. Termination**

- A. Any director who misses more than three consecutive meetings without notification and approval of the Executive Committee as to their absence may have the directorship terminated by a 2/3 vote of the Board of Directors.
- B. Any director who misrepresents the policies of the board may be terminated by a majority vote of the Board of Directors.

**Section 6. Vacancies**

Vacancies on the elected Board of Directors may be filled by a 2/3 vote of the Board. Such appointments shall be placed on the agenda of a regularly scheduled Board meeting. Each director so appointed shall hold office until the following annual meeting.

**Section 7. Place of Meeting**

Meetings of the Board of Directors shall take place in the City of Santa Monica, California, at a place designated by the Board of Directors for that purpose. Directors may meet at their discretion in another city with notification of the membership.

**Section 8. Regular Meetings**

The Board of Directors shall meet at least 10 times a year at a time and place to be designated at the first Board meeting after the annual meeting. At least 20 days shall elapse between meetings. All meetings of the Board of Directors shall be open to all classes of the membership. The agenda and minutes of each meeting shall be posted on the Santa Monica Mid City Neighbors' website. [www.midcityneighbors.org](http://www.midcityneighbors.org)

**Section 9. Special Meetings**

Special meetings of the Board of Directors may be called for any reason except for the election or removal of Board Members by the President, Vice-President, or any 3 Directors. Reasonable effort must be made to provide 48-hours notice by direct communication to all members.

**Section 10. Quorum and Vote**

- A. A simple majority of the directors shall be necessary to constitute a quorum for the transaction of business.
- B. The action of a majority of the directors present at any meeting at which there is a quorum, when duly assembled, is valid as a Corporation act, except as otherwise specified in these Bylaws.
- C. Electronic communication may be used to facilitate a quorum if all members present agree the voice detection is adequate.
- D. Votes may also be conducted via e-mail. However, all such votes must be ratified by the Board at the next public meeting.

**Section 11. Executive Committee**

The Executive Committee shall consist of the Officers designated by the Board. The Board of Directors may establish rules, regulations, procedures and duties for the operation of the Executive Committee. The Executive Committee may exercise the powers of the Board of Directors in between board meetings, subject to ratification by the Board of Directors at the next regularly scheduled Board meeting.

## **Article IV Officers**

**Section 1. Officers**

The officers of the Corporation shall be:

- A. President
- B. Vice-President
- C. Secretary
- D. Treasurer
- E. Such other officers as the Board of Directors may appoint.

The Board of Directors is granted full power and authority to change the titles of the offices. No person shall hold more than one office.

**Section 2. Elections**

At the first meeting after the Annual Meeting, the Board of Directors shall elect the officers named above from among its members by a simple majority. Those elected will serve as the Executive Board of Santa Monica Mid City Neighbors.

**Section 3. Term**

Terms of all officers expire at the first Board of Directors meeting held after the annual meeting.

**Section 4. Removal and Resignation**

Procedures for termination of officers:

- A. Any officer may be removed from office by a 2/3 vote of the full Board of Directors at any duly constituted meeting of the Board.
- B. Any officer may resign at any time by giving notice to the Board of Directors, President or Secretary. The resignation shall take effect at the date of receipt of the notice or at any time later specified. The acceptance of such resignation shall not be necessary to make it effective.

**Section 5. Vacancies**

A vacancy in any office shall be filled for the unexpired term by a majority vote of the Board of Directors present at the next meeting.

**Section 6. President**

The President shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and affairs of the Corporation. The Present shall be the spokesperson for Santa Monica Mid City Neighbors. The President shall preside at all meetings of the Board of Directors, the Executive Committee and the annual meeting. The President shall be an ex-officio member of all Standing Committees. He or she will have the general powers and duties of management as may be prescribed by the Board of Directors or by these Bylaws. The President will set the agenda for all meetings.

**Section 7. Vice-President**

The Vice-President of the Board shall possess the powers and discharge the duty of the President in the latter’s absence or inability to perform. The Vice-President shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws.

**Section 8. Secretary**

The Secretary shall keep, or cause to be kept, a book of all meetings of the Directors and of the members at a place designated by the Board of Directors. The minutes shall record the date, time and place of the meeting, the notice, the names of members present, and the proceedings thereof. Special Meetings shall have recorded how authorized, the notice given, the names of those present, and the proceedings of such meetings.

The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and of the members required by the Bylaws. Agenda of the annual meeting and all Board of Directors meetings may be posted 72 hours in advance on the Santa Monica Mid City Neighbors’ website and local library or other public locations as directed by the Board. The Secretary shall have the responsibility to oversee the official Santa Monica Mid City Neighbors’ website.

The Secretary shall maintain all of the correspondence for the Corporation. The Secretary shall keep and maintain membership log showing the names, addresses and other contact information of each member of the Corporation. The membership data may include voting or nonvoting status and any other identifying information the Board of Directors may deem necessary.

The Secretary shall keep the Seal of the Corporation in safe custody, and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

**Section 9. Treasurer**

The Treasurer shall be the Chief Financial Officer of the Corporation. The Treasurer shall maintain or caused to be kept and maintained, an adequate and correct account of the properties and business transaction of the Corporation, including accounts of its assets, liability, receipts, disbursements, gains and losses.

The Treasurer shall also be responsible for the filing of any such documents necessary as dictated by the Corporation’s non-profit status. The books of the account shall at all times be open for inspection by any director. Additionally monthly accountant reports of assets, liabilities, expenses and revenue shall be made available to the public at regular board meetings and on the website. If required by the Board of Directors, Santa Monica Mid City Neighbors’ will prepare a bond in the amount and with the surety specified by the board for the faithful performance of the duties of the Treasurer’s office.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds as may be ordered by the Board of Directors. The Treasurer shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

**Article V Committees**

**Section 1. Executive Committee**

The Executive Committee shall be composed of the officers of the Board of Directors and the Chair of any committee or one at-large member of the Board appointed by the President and approved by the Board for a total of 5 members. The Board of Directors may establish rules, regulations, procedures, and duties for the operation of the Executive Committee. The Executive Committee may exercise the powers of the Board of Directors in between Board meetings, subject to ratification by the Board of Directors at the Board’s next regularly scheduled meeting. The Executive Committee shall appoint representatives to the Santa Monica Neighborhood Council.

**Section 2. Committees of the Board**

The Board of Directors may appoint committees to advise the Board as necessary and to assist the Board to carry out the specific purposes of Santa Monica Mid City Neighbors. These committees may include Board members and other members of the Corporation. Such committees may have the responsibility to form and carry out duties at the discretion of the Board in the following areas: membership, communication/public relations, fundraising, land use and transportation, education, and city services. Such committees shall exist at the pleasure of the Board.

**Section 3. Action Committees**

Action Committees of the membership may be formed as needed at the pleasure of the Board. Each committee shall have specific goals and plans approved by the Board and report their findings to the Board.

**Section 4. Liaison Committees**

Any existing or new committee of Santa Monica Mid City Neighbors may form to work on shared goals with other neighborhood groups with the permission of the Board.

**Article VI Annual Meeting**

**Section 1. General**

Resolutions, purposes, and directions for the organization will be voted upon by the paid voting members at each Annual Meeting.

**Section 2. Purposes**

- The purposes of the Annual Meeting are:
- A. To elect members to the Board of Directors
  - B. To approve membership fees
  - C. To adopt, amend, or repeal Bylaws
  - D. To approve resolutions, purposes, and direction of the Corporation
  - E. To update the membership on community and neighborhood issues
  - F. To liaison, obtain feedback, form groups, and set priorities for the coming year
  - G. To undertake any other actions which are appropriate to the Corporation within the approved Bylaws

**Section 3. Notice**

The date and place within the City of Santa Monica shall be determined by the Board of Directors. Notice of the Annual Meeting shall be posted on the website, public places, City TV, by press release, and emailed or via U.S. mail to membership at least 45 days before the meeting date. The final agenda shall be available at least seven days prior to the meeting.

**Section 4. Quorum**

A quorum of the Annual Meeting shall be a simple majority of those voting members who sign into the Annual Meeting.

**Section 5. Voting**

All actions shall require a passing vote of no less than a simple majority of the voting members present. Under no circumstances shall proxy votes be permitted or counted.

**Section 6. Governing Procedures**

The Annual Meeting shall be subject to the procedures of the most recent edition of *Robert's Rules of Order Newly Revised* and Rules of the Day to be determined by the Board of Directors and approved by the voting members at the Annual Meeting.

**Article VII Special Meeting of the Membership**

Special Meetings of the membership may be called by the President, a 2/3 vote of the Board of Directors, or a petition of 10% of the voting members by a written request to the Board of Directors. The written request shall specify the general nature of the business to be transacted. Upon receipt of such written notice the President of the Board shall give notice within 20 days that a meeting will be held and the specific purpose of the meeting and the name(s) of the member or members requesting the meeting. Notice of such a Special Meeting will be given in the same manner as for the Annual Meeting.

**Article VIII Annexation**

**Section 1. Purpose**

Petitions submitted by residents of an adjacent area shall be considered for inclusion into the geographic territory of Santa Monica Mid City Neighbors. Proposed annexations may be ratified by a 2/3 vote of the voting membership at the Annual Meeting or a Special Membership Meeting.

**Section 2. Criteria**

- A. Only census tracts voting districts which are contiguous to the existing geographical territory of the Corporation and which are in the City of Santa Monica may be annexed.
- B. No area may be annexed unless a petition initiated by residents of the area and signed by 40 residents of the area is first submitted to the Board of Directors.

**Section 3. Board Action**

Upon receipt of a petition for Annexation, the Board of Directors shall call a Special Membership Meeting within 120 days unless the Annual Meeting or another Special Meeting is scheduled to occur during the last 80 days of those 120 days. The proposed annexation shall be considered at the already scheduled meeting.

**Section 4. Ratification**

A 2/3 vote of those members present at a membership meeting at which annexations are to be considered shall be necessary for the ratification of proposed annexations. No ratification may be made unless notice by U.S. mail has been given to membership at least thirty-five days in advance of the membership meeting for the intent of annexation.

**Section 5. Bylaws Amended**

Upon ratification of an annexation, Article I Section 4 of the Bylaws shall be amended automatically to reflect the change of the boundaries. Membership requirements of Article II Membership will apply to all joining new members. The Board of Directors may increase upon a vote of the members to include members of the annexed territory.

**Article IX Amendment of the Bylaws**

New Bylaws may be adopted or these Bylaws may be amended or repealed at the Annual Meeting, or any other meeting of the members called for that purpose, by a majority vote of the voting members present according to Article II.

**Article X Amendments to Articles of Incorporation**

The Articles of Incorporation may be amended at any duly called members meeting. A simple majority is required to amend the Articles at the Annual Meeting of the members. A 2/3 vote is required to amend the Articles at a specially called meeting.

## **Article XI Miscellaneous**

### **Section 1. Records**

The Corporation shall record adequate and correct accounts, books, and records of its business and properties. All such documents shall be kept in a place in the City of Santa Monica designated by the Board of Directors.

### **Section 2. Inspection of Records**

All books and records shall be open to inspection by the directors and members of the Corporation at any reasonable time. Agendas and minutes of proceeding will be posted on the Santa Monica Mid City Neighbors' website in a timely manner.

### **Section 3. Inspection of the Bylaws and Articles**

The original or a copy of these Bylaws, as amended and certified by the Secretary shall be open to inspection by the directors and the members of the Corporation at any reasonable time.

### **Section 4. Checks and Drafts**

All checks, drafts or other money orders for payment of money issued in the name of or payable to the Corporation shall be signed or endorsed by the Treasurer and one other member of the Executive Committee.

### **Section 5. Contracts**

The Board of Directors, except as otherwise provided in the Articles of Incorporation or Bylaws may authorize in writing any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Unless so authorized in writing by the Board of Directors, no officer or agent shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount.

### **Section 6. Indemnification**

Every member of the Board of Directors, officer or agent of the Corporation may be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon such members of the Board, officer or agent in connection with any threatened, pending or completed action, suit or proceeding to which she/he may become involved by reason of her/his being or having been a member of the Board, officer or agent of the Corporation, or any settlement thereof, unless adjudged therein to be liable for negligence or misconduct in the performance of her/his duties. Provided, however, that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of indemnification shall be in addition and not exclusive of all other rights which such member of the Board, officer or agent is entitled.

### **Section 8. Annual Report**

The Directors shall cause to be presented to the members at the Annual Meeting a current balance sheet together with a current statement of income and expenses. Such financial statement shall be certified by the President and Treasurer.

### **Section 9. Fiscal Year**

The fiscal year of the Corporation shall begin on July 1st and end on June 30th.

Approved by the Board of Directors on March 15, 2011.

Corrections of typographical errors and clarifications approved by membership on May 3, 2014.

# **Appendix A: Santa Monica Mid City Neighbors Conflict of Interest Policy**

## **Article I Purpose**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Santa Monica Mid City Neighbors) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## **Article II Definitions**

### **1. Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## **Article III Procedures**

### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

### **2. 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, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Corporation 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation'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.

### **4. Violations of the Conflicts of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. 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.

## **Article IV Records of Proceedings**

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



- a. 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.
- b. 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.

### **Article V Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **Article VI 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:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Article VII Periodic Reviews**

To ensure the Corporation operates in a manner consistent with charitable purposes and does not 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:

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

### **Article VIII Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **Appendix B: Santa Monica Mid City Neighbors Policy on Intellectual Property Rights**

### **Article I Purpose**

The purpose of the policy on Intellectual Property Rights is to protect the Corporation and its member work products. By having a standing policy possible conflicts of interest may be avoided.

### **Article II Policy**

Should work that a volunteer or member performs for Santa Monica Mid City Neighbors at the request of and with permission of the Board of Directors result in the creation of intellectual property rights, the volunteer/member agrees, as a condition of volunteer employment, that:

- a. such intellectual property shall be deemed a work made for hire owned by Santa Monica Mid City Neighbors
- b. to the extent it does not qualify as a work for any other reason, the volunteer irrevocably and unconditionally assigns to the Corporation all rights, title, and interest in and to any such property rights, and
- c. this is true even if the material developed by the volunteer is published under his/her name by the Corporation or some other entity.

The volunteer/member further agrees that the commercial use or the material developed will not be made without the express written approval of Santa Monica Mid City Neighbors.

The name, trademark and copyright of Santa Monica Mid City Neighbors belong solely to this Corporation.