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ByLaws of
General Employees of Monterey, Inc.

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BYLAWS
OF
GENERAL EMPLOYEES OF MONTEREY, INC.
A California Nonprofit Mutual Benefit Corporation

ARTICLE I: NAME

Section 1. NAME OF THE CORPORATION. The name of this corporation is GENERAL EMPLOYEES OF MONTEREY, INC. ("GEM")

ARTICLE II: OFFICES OF THE CORPORATION

Section 1. PRINCIPAL OFFICE. The principal office for the transaction of the activities, affairs, and business of the Corporation is located at City Clerk's office in the City of Monterey, Monterey County, California. The Board of Directors may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

Section 2. OTHER OFFICES. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

ARTICLE III: PURPOSES AND LIMITATIONS

Section 1. GENERAL PURPOSE. This Corporation is a nonprofit mutual benefit corporation organized under the California 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.

Section 2. SPECIFIC PURPOSES. Within the context of the general purposes stated above, the specific purposes of this Corporation shall be:

- a.** To promote the general welfare of the members under the current available labor relations system;
- b.** To initiate and promote such legislation in the best interest of the members;

c. To afford the opportunity for the investigation and interchange of ideas upon subjects pertaining to the progressive development of the City of Monterey;

d. To promote the efficiency and raise the standards of service of all City employees; and

e. To establish effective relations with the City of Monterey's administrative officials based on mutual respect.

Section 3. LIMITATIONS. Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this Corporation.

All of the objectives of this Corporation shall be pursued in a manner consistent with its status as a tax-exempt nonprofit organization.

ARTICLE IV: MEMBERS

Section 1. RIGHTS AND DUTIES OF MEMBERSHIP.

a. Qualification and Rights of Membership

(1) **Classes and Qualifications.** This Corporation shall have one class (1) of members. Any person dedicated to the purposes of this Corporation and who is a full-time employee of the City of Monterey who falls under the title of "miscellaneous employees" and who is receiving full benefits shall be eligible for membership on approval of the membership application by the Board and the payment of such dues and fees as the Board may fix from time to time. Subject to the provision contained herein (the Bylaws), new employees shall be eligible immediately for all benefits upon completion of their dues deduction from payroll. Dues deduction requests must be submitted to payroll no later than the 12th of each month. Dues are deducted on the 25th of each month. Current employees who have been employed by the City for 30 calendar days or more and wish to become full members (not a fee payer or religious exemption) must be in good standing for a minimum of six (6) months to be eligible for benefits as set forth in this Article.

(2) **One-Time Waiver.** In consideration of the passage of Agency Shop by the bargaining unit employees at the City of Monterey, on Board approval, current employees may as a one-time option have their six (6) month waiting period waived. This waiver of the ordinary waiting period applies only to employees who were current employees of the City of Monterey who had not exercised their option for membership in GEM prior to passage of Agency Shop, if they become a full members prior to October 25, 2009, they will thereafter become eligible to vote

immediately, with the exception of the election of officers (see Article IV, Section 5 a. (5)) on the close of the enrollment period on October 25, 2009.

(3) **Voting Members.** Members shall have the right to vote, as set forth in these Bylaws, on the election of directors, on the disposition of all or substantially all of the assets of the Corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation; provided, however, that a vote for dissolution of the Corporation shall require an affirmative supermajority vote of 75% of the members in order to be carried. In addition, those members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. If the Corporation is dissolved, those members shall receive a pro rata distribution of all assets, exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of the Corporation and provision for any other payment required under applicable law. In addition, members shall have the following specific rights to:

(a) Vote at General Membership Meetings, or on request, at balloting locations, as set forth in these Bylaws on the election of Board of Officers or any other matter that comes regularly before the Corporation at a general membership meeting or special meeting;

(b) Hold office in this organization;

(c) Attend general membership meetings and/or special meetings;

(d) Representation provided by the Corporation and a level of funding for legal representation, as determined by the Corporation's board;

(e) Assistance of the Corporation in pursuing matters of grievance, as determined by the Board;

(f) Attend all social events that may be scheduled;

(g) Purchase of discount tickets that may be made available;

(h) Receive any free discount cards available to members; and

(i) Any other rights conferred upon individuals holding membership status.

(4) **Other Persons Associated With the Corporation.** The Corporation may refer to persons who do not satisfy the eligibility requirements or other persons or entities associated with it as "members" even though such persons or entities are not voting members as set forth in Article IV Section 1a(2) of these Bylaws, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Corporations Code unless that person or entity shall have qualified for such a voting membership under Article IV Section 1 of these Bylaws. References in these Bylaws to members shall mean members as defined in Section 5056 of the California Corporations Code; i.e., the members of the class set forth in Article IV Section 1 of these Bylaws. Notwithstanding the foregoing, the Corporation may allow such "members" to be represented by whichever firm represents the Corporation at that time, with that firm's approval, but said employee shall pay 100% of the cost of this representation. Payment shall be made with a cashier's check to the firm representing the Corporation, with 50% of the total anticipated fee to be paid in advance. By amendment of its Articles of Incorporation or of these Bylaws, the Corporation may grant some or all the other rights of a member, as set forth in these Bylaws, to any person or entity that does not have the right to vote on any of the matters specified in Article IV Section 1a(2) of these Bylaws, but no such person or entity shall be a member within the meaning of Section 5056 of the California Corporations Code.

b. Dues, Fees, and Assessments. Each member must pay, within the time and on the conditions set by the Board, the dues, fees, and assessments in amounts to be fixed from time to time by the Board. The dues, fees, and assessments shall be paid by signing such enrollment card as the City of Monterey, Accounting Division may provide (Authorization for Payroll Deduction) to provided for payment of dues as established by the Corporation..

c. Good Standing.

(1) Those members who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

(2) If any member should discontinue his/her payroll deduction, or otherwise fail to pay any dues or assessments in accordance with these Bylaws, he/she shall be considered delinquent, (i.e. not in good standing), shall not be entitled to the rights and privilege of membership and shall continue in such status until any required dues and assessments are paid in accordance with these Bylaws.

d. Termination and Suspension of Membership

(1) **Causes of Termination.** A membership shall terminate on occurrence of any of the following events:

Corporation;

(a) Resignation of a member, on reasonable notice to the

(b) Upon the death of the member;

(c) Failure of a member to pay dues, fees, or assessments as set by the Board within thirty (30) days after they become due and payable;

(d) Occurrence of any event that renders a member ineligible for membership, or failure to satisfy membership qualifications; including dismissal, termination or retirement from employment as a “miscellaneous employee” of the City of Monterey;

(e) Expulsion of the member under Article IV Section 1d(3) of these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

(2) Suspension of Membership. A member may be suspended, under Article IV Section 1d(3) of these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

A person whose membership is suspended shall not be a member during the period of suspension.

(3) Procedure for Expulsion or Suspension. If grounds appear to exist for expulsion or suspension of a member under Article IV Section 1d(1) or (2) of these Bylaws, the procedure set forth below shall be followed:

(a) Charges shall be filed in writing with the Board and signed by a member of the Corporation

(b) The member shall be given fifteen (15) days' prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the Corporation's records.

(c) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board to determine whether the expulsion or suspension should take place.

(d) The Board shall decide whether or not the member should be expelled, suspended, or sanctioned in some other way

(e) The Board may suspend (not to exceed three (3) months) a member by a majority vote of those present.

(f) The Board may expel a member by a majority vote of those present. This expulsion must be reviewed yearly if a member wants to be returned to the membership

(g) Such member shall have the right to appeal at the next General Membership meeting of the Corporation, held for this purpose (unless a meeting within thirty (30) calendar days is scheduled anyway) and it shall require a majority vote of the members of the Corporation present to affirm the action of the Board.

(h) If the action is not affirmed, the accused shall be restored all rights and privileged of membership of the Corporation.

Section 2. MEETINGS OF MEMBERS.

a. Place of Meeting. Meetings of the members shall be held at any place within or outside California designated by the Board or by written consents of all persons entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Corporation's principal office.

b. Annual Meeting. An annual members' meeting shall be held on the second Tuesday of November of each year at 5:00 o'clock p.m., unless the Board fixes another date or time and so notifies members as provided in Article IV Section 2d of these Bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this meeting, directors shall be elected and any other proper business may be transacted, subject to Article IV Section 2d of these Bylaws.

c. Special Meetings

(1) **Persons Authorized To Call.** A special meeting of the members for any lawful purpose may be called at any time by the Board or the

Chairman of the Board, if any, or by the President, or by 5 percent or more of the members.

(2) **Calling Meetings.** A special meeting called by any person (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chairman of the Board, if any, or the President or any Vice President or the Secretary of the Corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Article IV Section 2d of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least thirty-five (35) but no more than sixty (60) days after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting time at which a meeting of members may be held when the meeting is called by the Board.

(3) **Proper Business of Special Meeting.** No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

d. Notice Requirements for Members' Meetings

(1) **General Notice Requirements.** Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with Article IV Section 2d of these Bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting and, (1) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

(2) **Notice of Certain Agenda Items.** Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (a) Removing a director without cause;
- (b) Filling vacancies on the Board;
- (c) Amending the Articles of Incorporation;

(d) Approving a contract or transaction between the Corporation and one or more directors, or between the Corporation and any entity in which a director has a material financial interest;

(e) Electing to wind up and dissolve the Corporation; or

(f) Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the Articles or Bylaws, when the Corporation is in the process of winding up.

(3) **Manner of Giving Notice.** Notice of any meeting of members shall be in writing and shall be given at least five (5) days but no more than ninety (90) days before the meeting date. The notice shall be given either personally, by interdepartment mail or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member appearing on the books of the Corporation or at the address given by the member to the Corporation for purposes of notice. If no address appears on the Corporation's books and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail or telegraphic or other written communication to the Corporation's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(4) **Affidavit of Mailing Notice.** An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the Secretary, Assistant Secretary, or any transfer agent of the Corporation, and if so executed, shall be filed and maintained in the Corporation's Minute Book.

(5) **Quorum**

(a) **Percentage Required.** Five percent of the voting power shall constitute a quorum for the transaction of business at any meeting of members.

(b) **Loss of Quorum.** The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

(6) **Adjournment and Notice of Adjourned Meeting.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45)

days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

(7) **Voting**

(a) **Eligibility to Vote.** Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law and the Bylaws, members entitled to vote at any meeting of members shall be all members in good standing as of the record date determined under Article IV Section 4 of these Bylaws.

(b) **Manner of Casting Votes.** Voting may be by voice or ballot, except that any election of directors must be by ballot if demanded by any member at the meeting before the voting begins.

(c) **Voting.** Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members.

(d) **Approval by Majority Vote.** If a quorum is present, the affirmative vote of the majority of the voting power represented 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 of voting by classes is required by the California Nonprofit Mutual Benefit Corporation Law or by the Articles of Incorporation.

(8) **Waiver of Notice or Consent**

(a) **Written Waiver or Consent.** The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, who is not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the Minutes. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Article IV Section 2d (2) the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the Minutes.

(b) **Waiver by Attendance.** A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

Section 3. ACTION WITHOUT A MEETING.

a. **Action by Unanimous Written Consent.** Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the Minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

b. **Action by Written Ballot Without a Meeting.** Any action, except election of directors, that may be taken at any meeting of members may be taken without a meeting by complying with Article IV Section 3a and b of these Bylaws.

(1) **Solicitation of Written Ballots.** The Corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Article IV Section 6e of these Bylaws. All solicitations of votes by written ballot shall (1) indicate the number of responses needed to meet the quorum requirement, (2) with respect to ballots other than for election of directors, state the percentage of approvals necessary to pass the measure or measures, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to the Corporation. If the Corporation has 100 or more members, any written ballot distributed to 10 or more members shall provide, subject to reasonable specified conditions, that if the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification.

(2) **Number of Votes and Approvals Required.** Approval by written ballot shall be valid only when (1) the number of votes cast by ballot within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

(3) **Revocation.** A written ballot may not be revoked.

(4) **Filing.** All written ballots shall be filed with the Secretary of the Corporation and maintained in the corporate records for at least one (1) year.

Section 4. RECORD DATE FOR NOTICE, VOTING, WRITTEN BALLOTS, AND OTHER ACTIONS.

a. **Record Date Determined by Board.** For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights with respect to any lawful action, the Board may fix, in advance, a record date. The record date so fixed

(1) for notice of a meeting shall not be more than ninety (90) or less than five (5) days before the date of the meeting;

(2) for voting at a meeting shall not be more than sixty (60) days before the date of the meeting;

(3) for voting by written ballot shall not be more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(4) for any other action shall not be more than sixty (60) days before that action.

b. Record Date Not Determined by Board

(1) **Record Date for Notice or Voting.** If not otherwise fixed by the Board, the record date for determining members entitled (1) to receive notice of a meeting of members shall be the business day next preceding the day on which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held and (2) to vote at the meeting shall be the day on which the meeting is held.

(2) **Record Date for Action by Written Ballot.** If not otherwise fixed by the Board, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

(3) **Record Date for Other Actions.** If not otherwise fixed by the Board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

c. Members of Record. For purposes of Article IV Section 4a and b, a person holding a membership at the close of business on the record date shall be a member of record.

Section 5. ELECTION OF OFFICERS, DIRECTORS AND AREA REPRESENTATIVES.

a. Nomination and Election Procedure for Officers and the Executive Board

(1) Nominations for the Officers and Executive Board of the Corporation shall be held during the month of October of each year. Election of same shall be held in November of each year. The membership will select five (5) officers, two (2) (Chair and Treasurer) elected in Odd numbered years, and three (3) officers, (Vice Chair, Recorder and Sergeant-at-Arms) elected in Even numbered years. The term of each office will be for two (2) years. New Officers positions shall become effective January 1. The Officers elected shall constitute the Executive Board.

(2) In October, the Board of Directors shall submit to the Corporation's membership a request for nominees for the coming election.

(3) All nominees shall be placed on a ballot and sent to all the Corporation's members.

(4) Any member in good standing with the Corporation for a period of two (2) years or more prior to the effective date of the appointment and with who consents may be placed on a ballot for nomination to the Executive Board.

(5) Only members in good standing for a period of six (6) months or more prior to the date of election are eligible to vote in the election of the Executive Board.

(6) The confidential ballots shall be collected at the General Membership meeting or from balloting locations and counted at a time agreed upon by the Board.

(7) The majority of votes counted shall determine those elected to serve.

(8) The results shall be announced by memo to the Corporation's membership and distributed by Area Representatives

b. Election Procedure for the Area Representatives

(1) Representatives shall be selected by Area members for a one (1) year term and will serve until their successors are elected.

(2) Representatives shall be selected every year, and must be regular members of the Corporation.

(3) Each Area shall select its own representative.

(4) Each representative from each Area in the City shall be responsible for conducting the next selection of the representative for his/her Area.

(5) The representative from each Area shall be selected by the membership from that Area.

(6) Said selections shall take place every year in November.

(7) The representatives selected shall take office in January.

c. Solicitation of Votes. The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and reasons for the nominee's candidacy and a reasonable opportunity for all members to choose among the nominees.

d. Use of Corporate Funds To Support Nominee. Without Board authorization, no corporate funds may be expended to support a nominee for director after more people have been nominated for director than can be elected.

e. Balloting.

(1) Balloting may be accomplished in one of two ways:

(a) Dropping the ballot in a locked ballot box located at Ryan Ranch or City Hall;

(b) Mailing the ballot to the Corporation's designated Post Office Box. Mail ballots must be received by 5:00 p.m. the day prior to the day of the vote; or

(c) Dropping the ballot in a locked ballot box located at a location to be announced.

(2) If a General Membership Meeting is called for, a third (3rd) balloting box option will be made available at that meeting.

(3) All ballots from all locations will be counted collectively after the meeting or specified time designated by memo from the Board.

(4) Notification of a ballot vote must be sent five (5) working days prior to the vote by interoffice mail.

ARTICLE V: OFFICERS, DIRECTORS AND AREA REPRESENTATIVES

Section 1. NUMBER AND TITLES OF OFFICERS. The officers of this Corporation shall be as set forth below and such other officers with such titles and duties as shall be determined by the Board and voted on by the membership as may be necessary to enable this Corporation to sign instruments. Up to two (2) offices may be held by the same person, except the offices of Chair and Treasurer may not be held concurrently. All Officers shall be members of the Board.

- a. Chair (Chairman of the Board/President),
- b. Vice-Chair,
- c. Secretary/Recorder,
- d. Treasurer,
- e. Sergeant-at-Arms, and
- f. Junior Past Chair (non-voting position)

Section 2. AREA REPRESENTATIVES. Area Representatives shall be selected by members of Areas (designated below) of the City. The Board of Directors shall function as the governing body of the Corporation. An officer or director may not serve as an Area Representative.

a. Area Representative Locations:

(1) City Hall Area Representatives will assist members from the following divisions:

- (a) City Attorney's Office
- (b) City Clerk's Office
- (c) City Manager's Office
- (d) Colton Hall Museum
- (e) Housing & Property Mgmt
- (f) Plans, Engineering & Environmental Compliance

- (g) Plans & Permits
 - (h) Plans & Public Work
- Recreatincluding the

Community Centers)

(2) Police Department Area Representative shall assist all members from the Police Department and Fire Administration.

(3) Public Facilities Area Representatives shall assist members from:

- (a) Capital Projects
- (b) Conference Center
- (c) Harbor Division
- (d) Parking Division
- (e) Monterey Sports Center

(4) Building Maintenance Area Representative shall assist all members from Building Maintenance which is located on the Presidio of Monterey.

(5) Ryan Ranch *A* Area Representatives shall assist members from:

- (a) Mechanical Division
- (b) Streets Division

(6) Ryan Ranch *B* Area Representatives shall assist all members from the Parks Division (including the Cemetery and Forestry members).

(7) Library Area Representatives shall assist all members from the Library Department.

(8) 735 Pacific Street Area Representative shall assist members from:

- (a) Accounting Division
- (b) Finance
- (c) Human Resources
- (d) Information Services Division
- (e) Revenue

Section 3. ELECTION. The officers and area representatives of this Corporation shall be chosen by and shall serve at the pleasure of the members, subject to the rights, if any, of an officer under any contract of employment.

Section 4. DUTIES OF OFFICERS.

a. Chairman of the Board/President. The Chairman of the Board/President shall:

(1) After conferring with the Sergeant-at-Arms, call all meetings of the Corporation to order;

(2) Preside at all meetings of the Corporation and of the Board of Directors;

(3) See to it that all business of the Corporation is conducted in compliance with the Bylaws of the Corporation; and

(4) Sign all checks for the Corporation in excess of one hundred (100) dollars.

(5) Shall be the general manager of the Corporation. Subject to the control of the Board, the Chairman/President shall have general supervision, direction, and control of the activities and affairs of this Corporation. The Chairman/President has the general powers and duties of management usually vested in the office of Chairman/President and such other duties as may be required by law, by the Articles of Incorporation, by these Bylaws, or which may be prescribed from time to time by the Board.

b. Vice-Chairman of the Board. The Vice-Chairman of the Board shall:

(1) In the absence of the Chair, possess all of the powers and perform all of the duties in his/her responsibilities, and shall at all times assist the Chair in the performance of his/her duties.

(2) Organize materials and ballots for meetings or miscellaneous informational packets for distribution to Area Representatives; and

(3) Perform other such duties as may be required by the Chair or the Board.

c. Secretary/Recorder. The Secretary/Recorder shall:

(1) The Secretary shall keep, or cause to be kept, at the principal office of this Corporation, or such other place as the Board may order, a book of Minutes of all meetings of the Board and its committees, the Articles of Incorporation, and these Bylaws. 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.

(2) Distribute the minutes of the meetings of the Board and the members;

(3) Keep a record of all the proceedings of the Corporation and the Executive Board, including an accurate record of all members in attendance;

(4) Keep an accurate roster of the officers, Executive Board, Area Representatives, and the members of all committees, and notify all members of their appointment;

(5) Give notification to Area Representatives in writing, the time, date, and place of each Corporation meeting and the business to be acted upon;

(6) Have custody of all books for previous fiscal years, all papers, and all property of the Corporation, with the exception of financial records, which shall be open at all times for the inspection of the Executive Board; and

(7) Perform other such duties as may be required by the Chair or the Board.

d. Treasurer. The Treasurer shall:

(1) Receive all funds of the Corporation and keep and disburse all funds under the Direction of the Chair to be approved and/or ratified by the members of the Corporation;

(2) Deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of this Corporation with such depositories as the Board may designate.

(3) Keep or cause to be kept regular financial books and accounts which shall be open at all times to the inspection of the Executive Board;

(4) Report yearly, at the election of officers, as to the financial condition of the treasury with detailed statement of receipts, expenditures, and accounts payable to the Corporation. All of the funds of the Corporation shall be kept in the name of the Corporation in such depository as shall be designated by the Executive Board. Funds may be disbursed by the Treasurer check, with the exception of the Petty Cash fund (not to exceed fifty (\$50) dollars), which shall be duly authorized and signed by both the Chair and the Treasurer. Disbursed funds,

other than budgeted disbursements, shall be authorized at any Corporation meeting;

(5) Prepare an annual report, to include the last day of the calendar year, and shall be audited by the Executive Board, turn over all records, vouchers, and statements to the newly elected Treasurer; and

(6) The Treasurer shall perform such other and further duties as may be required by law, these Bylaws, or as may be prescribed or required from time to time by the Chair or the Board.

e. Sergeant-at-Arms. The Sergeant-at-Arms shall:

(1) Maintain order and Robert's Rules of Order at the General Membership Meetings;

(2) Verify that attendees are members in good standing;

(3) Arrange for the collection of ballot boxes;

(4) Maintain membership list and mailing labels which shall be available for inspection by all members of the Corporation; and

(5) Perform other such duties as may be required by the Chair or the Board.

f. Junior Past Chair. The Junior Past Chair shall:

(1) Be an officer of the Executive Board;

(2) Assume all the powers of the Chair upon the inability of both the Chair and Vice-Chair to serve as Chair; and

(3) Perform other such duties as may be assigned by the Chair and/or Executive Board of the Corporation.

Section 5. DUTIES OF AREA REPRESENTATIVES.

a. The representatives selected from the various Areas as specified in Article V, Section 2a, shall have the duty and responsibility to ascertain the needs and desires of the members within their Area and represent those members and their interest at meetings specifically called for that purpose by the Executive Board. They shall also assist the Chair in filling committee appointments where the Board request specific Area representation.

b. The representatives shall poll their Area as requested by the Board or whenever he/she requires some direction from the membership in his/her Area. In any event, he/she shall ascertain a consensus of the membership on Corporation issues.

c. Each Area Representative shall appoint an alternate who shall assume the duties of the representative in the event of his/her temporary absence. In the event the representative no longer holds office, Article V, Section 7 shall be carried out.

Section 6. NEW TERM LIMITS. Officers are limited to no more than two (2) consecutive elected terms. Officers may serve in other offices once term limits are reached, and become eligible for election to offices in which they previously reached term limits once they have served at least one full term in another office or after two (2) years serving in no office. Officers who would otherwise have reached term limits remain eligible for appointments to a vacant office regardless of the number of consecutive terms previously served.

Section 7. RESIGNATION OF OFFICERS, DIRECTORS AND AREA REPRESENTATIVES. An officer, director or area representative may resign at any time on written notice to this Corporation without prejudice to the rights, if any, of this Corporation under any contract to which the officer is a party. In the event a Board member cannot fulfill the duties of his/her elected position but would be able to fill another Board position, the Board, with a majority vote, may change those officer's positions.

Section 8. VACANCIES AND RECALL OF OFFICERS, DIRECTORS AND AREA REPRESENTATIVES.

a. Officer and Director Vacancy and Recall

(1) Vacancy. The Board of Directors, by majority vote of those present at a duly constituted meeting, may appoint any eligible member to assume the duties of an office declared vacant by the Board for the remaining portion of the term of that office or shall call a special election of the general membership.

(2) Recall.

(a) Any officer of this Corporation may be recalled for conduct unbecoming such officer. Petitions for the recall of the officer must state in general terms the nature of the conduct giving rise to the petition and must be signed by not less than twenty-five (25) members of the Corporation. Upon receipt of such petitions, the Chair must call a special election of the regular membership

within thirty (30) days. A majority of affirmative votes cast at said special election shall be sufficient for the recall of said officer.

(b) In the event the Chair is petitioned for recall, the Vice-Chair shall assume the responsibilities of the Chair until the recall process is completed.

(3) Termination of Employment. Any officer who should terminate from the employment of the City of Monterey shall have the office declared vacant.

b. Area Representative Vacancy and Recall

(1) Vacancy. An Area Representative vacancy shall be filled by a selection made by the Area members.

(2) Termination of Employment. Any Area Representative whose employment with the City is terminated, or is otherwise unable to serve or position is recalled, shall have the office declared vacant.

Section 9. POWERS.

a. General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation and Bylaws regarding actions that require the approval of the members, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the Board's direction.

b. Specific Powers. Without prejudice to the general powers set forth in Article V Section 8a of these Bylaws, but subject to the same limitations, the directors shall have the power to:

(1) Consider all policy matters affecting the Corporation;

(2) Make policy recommendations to the membership of the Corporation as the occasions arise;

(3) Take such executive action as is deemed desirable or necessary within the limitation of the Bylaws;

(4) Have the power to make business contracts on behalf of the Corporation;

(5) By a simple majority vote of the Board, appoint various committees, standing or special, required by the Bylaws or established by the Executive Board except as herein provided or so ordered by a vote of the Corporation;

(6) Any new policies shall be subject to ratification by the eligible members of the Corporation by a majority vote at a scheduled meeting;

(7) Collect ballot boxes and ballots from post office and count all ballots; and

(8) Sign all checks (by no less than two (2) Board members.

Section 10. NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of directors shall be not less than three (3) nor more than ten (10) provided that the actual number shall reflect the number of individuals serving as officers as determined by a vote of the members. The qualifications for directors are membership in good standing in the Corporation.

Section 11. ELECTION, DESIGNATION, AND TERM OF OFFICE.

All officers and directors shall be elected at each annual meeting of members to hold office for the coming calendar year; however, if any such directors are not elected at any annual meeting, they may be elected at any special members' meeting held for that purpose or by written ballot. Each such director, including a director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

Section 12. BOARD MEETINGS.

a. Place of Meetings. Meetings of the Board shall be held at any place within or outside California that has been designated by resolution of the Board or in the notice of the meeting or, if not designated, at the principal office of the Corporation.

b. Meetings by Telephone. Any meeting may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such a meeting.

c. Annual Meeting. Immediately after each annual meeting of members, the Board shall hold a regular meeting for purposes of organization and the transaction of other business. Notice of this meeting is not required.

d. Other Regular Meetings. Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time.

e. Special Meetings.

(1) **Authority To Call.** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice Chairman, or the Recorder/Secretary or any two directors.

(2) **Notice**

(a) **Manner of Giving Notice.** Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) by telegram, charges prepaid, or (e) by interdepartmental mail. Notice given by interdepartment mail must be at least five (5) working days prior to the time set for the meeting. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Corporation.

(b) **Time Requirements.** Notices sent by first-class mail shall be deposited in the United States mails at least five (5) working days before the time set for the meeting. Notices sent by interdepartment mail must be deposited in the interdepartment mail such that they are received at least five working days before the time set for the meeting. (5) working days Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least forty-eight (48) hours before the time set for the meeting.

(c) **Notice Contents.** The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

f. Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions between the Corporation and one or more directors or between the Corporation and any entity in which a director has a material financial interest, (b) creation or and appointments to committees of the Board, and (c) indemnification of directors. A meeting at which a quorum is initially present may continue to transact

business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

g. Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the Minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the Minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

h. Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

i. Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

Section 13. ACTION WITHOUT A MEETING. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the Minutes of the proceedings of the Board.

Section 14. COMMITTEES.

a. Committees of Directors. The Board may create one or more committees, each consisting of three (3) or more volunteer members, to serve at the pleasure of the Board. The Board may delegate by resolution any of the authority of the Board, except that the Board shall not delegate and a committee shall not:

- (1) Fill vacancies on the Board or in any committee;
- (2) Amend or repeal these Bylaws or adopt new Bylaws;
- (3) Amend or repeal any resolution of the Board;
- (4) Appoint any other committees of the Board or members of these committees;

(5) Approve any self-dealing transaction (i) to which this Corporation is a party and in which one or more officers or directors has a material financial interest; or (ii) between this Corporation and an entity in which one or more of this Corporation's officers or directors has a material financial interest;

(6) It is the duty of all committee members, standing or special, to meet on a regular basis for the purpose of conducting business only related to the committee's objective, and to confer with the Board on its findings unless otherwise herein provided.

b. Meetings and Action of Committees. Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provisions of Article V of these Bylaws, concerning meetings and other Board actions, except that the time for regular meetings and calling of special meetings of committees may be determined either by resolution of the Board, or if none, by resolution of the committee. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws, or if none, the committee may adopt such rules.

ARTICLE VI: FINANCES

Section 1. REVENUE.

The Corporation is a non-profit non-partisan, independent employee's association which shall receive and hold monies and properties, both real and personal, from its members in the form of monthly dues, and from others in the form of gift, contribution, or donation. Monies shall be used for the purpose of obtaining labor relations education, legal assistance, collective bargaining consultants, and those expenses that are common and normal for the operation of the Corporation.

Section 2. DUES.

a. Each member must pay within the time and on the conditions specified the dues, fees and assessments in an amount to be established by a majority vote of the membership in conjunction with a general membership meeting.

b. The dues, fees and assessments shall be equal for all members within the Corporation.

c. These dues shall be payable by a payroll deduction or by such other means as may be established by the Board of Directors through a vote of membership.

Section 3. DISCONTINUANCE OF DUES. If any member should discontinue his/her payroll deduction, or otherwise fail to pay any dues, fees or assessments in accordance with these Bylaws, he/she shall be considered delinquent, not entitled to the rights and privileged of membership and shall continue in such status until any required dues, fees and assessments are paid in accordance with the Bylaws of the Corporation.

Section 4. MISCELLANEOUS INCOME. Miscellaneous Income is money received that is not month-to-month or through payroll deduction (for example but not limited to donations).

Section 5. ASSESSMENTS.

a. Assessments are special fees caused by an emergency situation where the expenditures exceed the available funds of the Corporation.

b. No assessment shall be levied on any member of the Corporation, except by a majority vote of the Corporation's membership voting specifically for that purpose, providing that a written notice be sent to all members of the Corporation prior to the meeting.

c. Any such assessment levied shall be paid by each member of the Corporation in a manner specified by the assessment vote.

ARTICLE VII: EXPENDITURES

Section 1. EXPENSES.

a. Expenses shall be payments towards the purpose of obtaining:

(1) Labor Relations Education. Any member of the Corporation, appointed as a representative of the Executive Board, may attend a seminar relating to labor relations per calendar year. The Executive Board must approve of such action in writing. Expenses for this educational seminar must be approved in advance by majority of the full Board. Reimbursement will be made only with proper receipts and prior authorization. This is limited to one person per seminar unless specifically detailed in the approved yearly budget.

(2) Labor Issues Assistance. If an individual member of the Corporation requests assistance for matters concerning labor relations at the City of Monterey, he/she shall place the request with the Executive Board exclusively to

preserve the confidentiality of the individual. The executive Board has the right to determine whether or not assistance is necessary for the individual, and to determine the validity of such an expense and a maximum set by the full Board. If assistance is granted by the Board, the amount of financial assistance shall not exceed five hundred (\$500) dollars. No financial assistance will be granted for services acquired by a member prior to the approval of the Board. If the Executive Board denies the request for legal assistance from the Corporation, said member may be represented by whichever firm represents the Corporation at that time, but the employee shall pay 100% for this representation. Payment shall be made with a cashier's check to the firm representing the Corporation, with 50% of the total anticipated fee paid in advance.

(3) Legal Assistance for the Corporation as a Membership. Approval for this expenses must first be obtained by a majority vote of the Corporation's membership present at a meeting specifically called for that purpose, provided that a written notice be sent to all members of the Corporation prior to the meeting.

(4) Negotiation Consultants. In the event of expenses due to conferring with any collective bargaining consultant(s), approval for such an expense is the responsibility of the Executive Board, exclusively, except when the expenses shall exceed the budgeted amount set forth by a majority vote of the membership in accordance with the Bylaws of the Corporation.

(5) Common and Normal Disbursements. Those disbursements that are common and normal for the operation of the Corporation shall be approved by the Executive Board, exclusively, and shall not need the approval of the membership of the Corporation, unless those expenses shall exceed the budgeted amount set forth by a majority vote of the membership in accordance with the Bylaws of the Corporation. Those expenses, which exceed the budgeted amount, shall be subject to ratification by the membership of the Corporation.

ARTICLE VIII: COLLECTIVE BARGAINING

Section 1. COLLECTIVE BARGAINING.

a. Negotiation Team. The Negotiation Team shall be accomplished by an election procedure. A team of no more than five (5) persons total, four (4) elected and one (1) a member of the Board, will preside on the Negotiating Team. Nominations and elections will be conducted by the Board two (2) months prior to the start of negotiations. Length of service shall be for the term of negotiations for the current contract being negotiated and continue for the term of the negotiated contract. The Negotiation Team shall take in-depth notes and maintain such notes for the length of the negotiations.

b. Executive Board. The Executive Board shall have the right to determine whether or not any collective bargaining consultant(s) is necessary for the Corporation, and if so, must follow the rules set forth in the Bylaws of the Corporation.

c. Actions. All actions of the Negotiating Team shall be subject to ratification by a majority vote of those members who have voted. Prior to any vote ratifying the Memorandum of Understanding, a meeting specifically called for that purpose must be provided and a written notice be sent to all members of the Corporation five (5) working days prior the meeting. A member of the Negotiating Team shall take in-depth notes at the ratification meetings, if any.

ARTICLE IX: ANNUAL ACCOUNTING

An annual accounting must be presented by February 28 each year by the newly-elected Board of the coming calendar year at a General Membership meeting. Notice must be sent five (5) working days prior to the meeting and a detailed copy of the budget must be attached for previous viewing.

ARTICLE X: GRIEVANCES

Section 1. DEFINITION. A grievance shall be defined as any dispute involving the interpretation, application, alleged violation of:

a. The current memorandum of understanding between the Corporation and the City of Monterey.

b. Those rules and regulations set forth in the Personnel Rules and Regulations of the City of Monterey where the provision in dispute is within the scope of representation.

c. Those disputes which concern an agreement, rule, or action that prescribes a separate appeal procedure shall be excluded.

d. All grievance procedures must follow the guidelines set forth by the City of Monterey's City Council for all members of the Corporation, except those employed by the Monterey Public Library, who must follow the guidelines set forth by the Monterey Library Board, and those employed by the City Attorney's Office who must follow the guidelines of their office.

e. The Executive Board has the right to determine whether or not labor issue assistance is necessary for the individual, and to determine the validity of such an expense and a maximum set by the full Board not to exceed five hundred (\$500) dollars.

ARTICLE XI: AMENDMENTS

Section 1. A recommendation or motion to amend, adopt, or repeal any section(s) of the Corporation's Bylaws may be made by any member in good standing with the Corporation at any general or special meeting, which shall constitute a first reading of the motion. If such a recommendation or option is approved by the Board, it shall be carried over to the next general or special meeting, which shall not be less than twenty-two (22) working days from the date of first approval. Each member of the Corporation shall be given written notification of the proposed change(s) and the date, time, and place that the matter shall be read a second (2nd) time and acted upon. A majority of the eligible members present at the second reading shall be required to adopt the recommendation or motion. It may be continued for consideration at the next general or special meeting upon approval of the majority of those members voting at the second (2nd) reading.

Section 2. The finalized copy of the Bylaws must be signed and notarized by a certified notary and a wet copy placed with the City Clerk. One photocopy each must also be given to each Board Member and Area Representative.

ARTICLE XII: CONDUCT OF MEETINGS

Section 1. NOTIFICATION. A meeting notice, delivered pursuant to the rules set forth above, shall precede all meetings to allow all members of the Corporation a reasonable opportunity to attend and shall include a copy of the agenda.

Section 2. ORDER OF BUSINESS. The order of business at all the Corporation meetings shall be as follows:

- a. Call to Order
- b. Communications
- c. Recognition of New Members and Guest
- d. Committee Reports
- e. Unfinished Business
- f. New Business
- g. Adjournment

Section 3. ETIQUETTE. Except as herein provided, the conduct of meetings and other procedural matters shall be according to “Robert’s Rules of Order”, latest revision. The Sergeant-at-Arms shall assist in this regard.

ARTICLE XIII: CONCERTED ACTIVITY

Section 1. DEFINITION. A concertive activity is when the membership of the Corporation as a whole enacts a particular or special procedure due to unique circumstance(s). These include, but are not limited to, procedures such as:

- a. A tribute to honor an important national figure in the event of his/her death;
- b. A boycott of a product and/or service due to unpopular practices of the company in question;
- c. A community service due to a popular need or charity;
- d. Concertive withholding services; or
- e. Grievance (Class Action).

Section 2. PROCEDURE CONCERNING CONCERTED ACTIVITIES. All concerted activities, excluding concerted withholding of service, shall be decided by a two-thirds (2/3) vote of the Corporation members present at a general meeting or a meeting specifically called for that purpose, provided that a written notice be sent to all members of the Corporation five (5) working days prior to the meeting.

Section 3. PROCEDURE CONCERNING WITHHOLDING OF SERVICE. Whether the representative for the Corporation in any collective bargaining is the Executive Board, a committee, a lawyer, or a consultant, no concerted withholding of service shall be instituted at any moment by the collective bargaining representative. No concerted withholding of service shall be instituted, however, unless the last offer by the City of Monterey has been submitted to the negotiating committee and shall have been rejected by the members of the Corporation, following which an impasse has been declared by the City of Monterey’s City Council and by the Corporation, and that the members of the Corporation shall have voted in favor of any concerted withholding of service by not less than two-thirds (2/3) vote of the total membership of the Corporation.

ARTICLE XIV: INDEMNIFICATION

Section 1. DEFINITIONS. For the purpose of this Article:

a. **"agent"** means any person who is or was a director, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this Corporation or of another enterprise at the request of the predecessor corporation;

b. **"proceeding"** means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

c. **"expenses"** includes without limitation attorneys' fees, costs, and any other expenses incurred in establishing a right to indemnification under this Article.

Section 2. ACTIONS BROUGHT BY THIRD PARTIES. This Corporation shall have power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action described in Section 3 below) by reason of the fact that such person is or was an agent of this Corporation, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of this Corporation. In the case of a criminal proceeding, such person also must have had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THIS CORPORATION. This Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of this Corporation, or brought under Section 5233 of the California Nonprofit Mutual Benefit Corporation Law (self-dealing), or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of this Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. However, no indemnification shall be made under this paragraph:

a. In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to this Corporation in the performance of such person's duty to this Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

b. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

c. Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 4. INDEMNIFICATION AGAINST EXPENSES. 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 such defense.

Section 5. REQUIRED DETERMINATIONS. Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by this Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or Section 3 of this Article, by:

a. A majority vote of the exact number of authorized directors consisting of directors who are not parties to such proceeding; or

b. The court in which such proceeding is or was pending. Such determination may be made on application brought by this Corporation, the agent, the attorney, or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by this Corporation.

Section 6. ADVANCE 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 or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 7. LIMITATIONS. No provision made by this Corporation to indemnify its directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of the Board, an

agreement or otherwise shall be valid unless consistent with the California Nonprofit Mutual Benefit Corporation Law. Nothing contained in this Article shall affect any right to indemnification to which persons other than this Corporation's directors and officers may be entitled by contract or otherwise.

Section 8. FORMS OF INDEMNIFICATION NOT PERMITTED. No advance or indemnification shall be made under this Article, except as provided in Section 4 or Section 5(b), in any circumstance where it appears:

a. That the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, a resolution of the Board, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

b. That the indemnification or advance would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. INSURANCE. This Corporation shall have power to purchase and maintain insurance on behalf of any agent of this Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this Corporation would have the power to indemnify the agent against such liability under the provisions of this Article. However, this Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of this Corporation for a violation of Section 5233 of the California Nonprofit Mutual Benefit Corporation Law (self-dealing), as amended from time to time.

Section 10. NONAPPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFIT PLANS. This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's fiduciary capacity, even though such person may also be an agent of this Corporation as defined in this Article. This Corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by the Section 207(f) of the California General Corporation Law, as amended from time to time.

ARTICLE XV: DISSOLUTION

The Corporation may be dissolved in accordance with the provisions of the California Nonprofit Mutual Benefit Corporation Law upon a supermajority vote of seventy-five percent of (75%) of the members.

ARTICLE XVI: CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions contained in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

CERTIFICATE OF RECORDER/SECRETARY
OF
GENERAL EMPLOYEES OF MONTEREY, INC.
a California Nonprofit Mutual Benefit Corporation

I hereby certify that I am the duly elected and acting Secretary of this Corporation and that the foregoing Bylaws comprising of thirty three (33) pages including this page, constitute the Bylaws of the Corporation as duly adopted at a meeting of the Board of Directors on _____.

Dated: _____

**GENERAL EMPLOYEES OF
MONTEREY, INC.**

Recorder/Secretary