BY-LAWS Of the
Seacliff Improvement Foundation

(Revised May 28, 1976)
(Revised April 19, 1984)
(Revised October 2000)
(Revised April 2003)
(Revised May 2015)
(Revised March 2021)
(Revised December 2024)
(Revised August 24, 2026 — Reincorporated as Seacliff Improvement Foundation; Amended for 501(c)(3) Tax-Exempt Status)

ARTICLE I

PURPOSE AND EXTENT

SECTION 1. Purpose. The purpose of this Corporation (the "Foundation") is to improve the quality of life in the community known as Seacliff Park through:

a) Fostering communication and cooperation with county, state, and federal government agencies and organizations;
b) Promoting civic betterment;
c) Supporting the improvement of public works;
d) Encouraging the beautification of our environment; and
e) Conserving our natural resources.

This Foundation is organized, and shall at all times be operated, exclusively for charitable, educational, and civic betterment purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or the corresponding provision of any future United States Internal Revenue law.

SECTION 2. Area. The area known as Seacliff Park is described as the area bounded by Monterey Bay, Borregas Gulch, Highway 1, and the cliff west of Aptos Creek.

SECTION 3. Tax-Exempt Limitations. Notwithstanding any other provision of these By-Laws:

(a) No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to, its directors, officers, members, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of the purposes set forth in this Article I.
(b) No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate in, or intervene in (including by the publishing or distributing of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.
(c) The Foundation shall not carry on any other activities not permitted to be carried on (i) by an organization exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) by an organization to which contributions are deductible under Section 170(c)(2) of the Code.

ARTICLE II

FINANCIAL LIABILITY OF MEMBERS

SECTION 1. Excepting only annual dues and/or assessments as hereinafter provided, no financial liability whatsoever shall ever be incurred for debts of the Foundation by reason of membership in this Foundation.

ARTICLE III

MEMBERS

SECTION 1. Eligibility. Any property owner or resident of Seacliff, who shall pay one year's dues, shall be a member of this Foundation. Any individual with contractual responsibilities, such as mortgages or business ownership in the area of Seacliff, is also eligible for membership.
SECTION 2. Classes of Membership. There shall be but one class of membership with equal voting rights.
SECTION 3. Membership Definition. A membership is defined as a Seacliff household residence, business, or property owner.
SECTION 4. Rights of Members. Each membership in good standing shall be entitled to one vote on all matters coming before the members. No member shall have any vested property, equity, or financial interest in the assets of the Foundation, membership rights being personal and non-transferable, consistent with the requirements applicable to organizations described in Section 501(c)(3) of the Internal Revenue Code.
SECTION 5. Good Standing. A member shall be in good standing when all dues or assessments have been paid within 60 days after the due date and/or notice in case of assessments.
SECTION 6. Loss of Good Standing. A member who shall cease being in good standing as provided in Section 5 of this Article shall be automatically terminated from membership and lose all rights of membership of whatever nature.
SECTION 7. Withdrawal. Any member in good standing may withdraw from membership by filing notice with the Secretary or President, and all rights of such member in the Foundation shall automatically terminate upon the date of receipt of such notice of withdrawal.
SECTION 8. Termination of a Member. Upon the termination, withdrawal, or death of a member, the membership shall cease. No member, or the estate of any member, shall have any vested property, equity, or financial interest in the assets of the Foundation, and no member shall be entitled to any distribution of Foundation assets upon termination, withdrawal, resignation, or death, it being the intent of this Section to comply with the nondistribution requirements applicable to organizations described in Section 501(c)(3) of the Internal Revenue Code.
SECTION 9. Membership List. The membership list is available to Foundation members only. Commercial use is prohibited. Use of the membership list requires Board approval.

ARTICLE IV

MEMBERS' MEETINGS

SECTION 1. Annual Meeting. The annual meeting of members shall be held at a place determined by the Board of Directors in the latter part of the month of October of each year.
SECTION 2. Purpose of Annual Meeting. The annual meeting shall be held for the purpose of hearing a report of the President, a financial report of the Treasurer, the discussion of general activities of the Foundation, the announcement of results of the election of directors for the ensuing year, and any other business proper to come before the members.
SECTION 3. Quarterly Meetings. Quarterly meetings of members shall be held at a place and date determined by the Board of Directors.
SECTION 4. Purpose of Quarterly Meetings. The quarterly meetings shall be held to discuss general activities of the Foundation and any other business to come before the members.
SECTION 5. Special Meetings. Special meetings of the members for any purpose whatsoever may be called by the President, the Board of Directors, or by written request of 15 members in good standing.
SECTION 6. Notice of Meetings. Notice of annual, quarterly, or special meetings shall be given to all members in good standing at least 10 days prior to that meeting. Such notices shall contain a statement of the place, date, and hour, and the purpose of such meeting, and shall be deemed proper if sent electronically or by telephone call or by text message.

SECTION 7. Quorum. The presence, in person or by written proxy, of members in good standing equal to the lesser of (i) ten percent (10%) of the total number of members in good standing as of the record date for the meeting, rounded up to the next whole number, or (ii) thirty (30) members, shall constitute a quorum for the transaction of all business, as stated in the advertised agenda, at member meetings. Once a quorum is present, the affirmative vote of a majority of the members present and voting, in person or by written proxy, shall be sufficient to approve any matter properly brought before the meeting, except where these By-Laws or applicable law require a greater vote.

SECTION 8. Proxies. Members in good standing may be represented by written proxies.

ARTICLE V

DIRECTORS

SECTION 1. Authority of Directors. Subject to limitations by law, the Articles of Incorporation, or the By-Laws of the Foundation, Foundation responsibilities shall be exercised by or under the authority of the Board of Directors consisting of a minimum of seven directors and no more than nine. Directors' terms shall be a minimum of two years. Half the directors shall be either elected or filled on odd numbered years, and the other half on even numbered years.

SECTION 2. Limitations of Directors. Individual Directors are not empowered to take public stands on community issues proclaiming representation of the Foundation's Board of Directors unless prior concurrence has been agreed upon by a majority vote of the Board of Directors. Before the expenditure of corporate funds or the incurring of any obligation in excess of $2,000.00 in any single transaction shall be valid, such action of the Board must be approved by a majority vote at a general membership meeting or by online voting.

SECTION 3. Qualifications of Directors. Only members in good standing shall be eligible to be elected as directors, and loss of good standing shall automatically declare the office of Director held by such person to be vacant. Candidates must have been a member of this Foundation for a minimum of one (1) year.

SECTION 4. Vacancies. The office of Director of one who is absent from three consecutive meetings of the Board without reasonable excuse, may be declared vacant by the Board of Directors. Vacancies on the Board due to disqualification, death, or resignation, shall be filled by appointment by the Board for the remaining unexpired term.

SECTION 5. Organization Meetings. At a board meeting following the annual meeting of members, the Board of Directors elected shall hold a meeting for the purpose of organization. The first item of business shall be the election of the Foundation President, Vice President, Secretary, and Treasurer for the ensuing year. The President will appoint standing committees concurrent with the needs and activities of the Foundation.

SECTION 6. Regular Meetings. Regular Board of Directors meetings shall be held without call or notice once a month on specific days as set by the Board of Directors at the beginning of the calendar year, except those months when a membership meeting is held. The Board may, at its discretion, alter the regular meeting date to avoid conflict with other events. Board meetings are open; all Foundation members are encouraged to attend.

SECTION 7. Special Meetings. Special meetings of the Board of Directors may be called for any purpose by the President or any two directors or by resolution of the Board. Forty-eight hours’ notice shall be given each Director of all special meetings except those voted by the Board.

SECTION 8. Quorum. A majority of the authorized number of Directors shall constitute a quorum. Except as otherwise provided, every action taken by a majority of the directors present at a meeting duly held at which a quorum is present shall be the valid act of the Foundation. Actions may also be approved by the Board via electronic means, which shall then be ratified in the next regular meeting.

SECTION 9. Compensation. No compensation shall be paid to Directors for serving as directors, but this provision shall not prevent the reasonable compensation of any director for other services actually rendered to the Foundation, subject to Article I, Section 3 and Section 11 of this Article.

SECTION 10. Nomination and Election of Directors. The Board may request nominations from the membership-at-large. If more members are interested in board service than the number of available openings, the election shall be conducted by secret ballot mailed to all members at least ten days prior to the annual meeting. Results of the election shall be announced at the annual meeting.
SECTION 11. Conflict of Interest. Any Director or officer who has a financial interest, or other conflict of interest, direct or indirect, in any contract, transaction, or other matter before the Board of Directors shall promptly disclose that interest to the Board prior to any discussion or vote on the matter. An interested Director or officer shall not vote on the matter giving rise to the conflict and may be excluded from the related Board discussion, except that such person may be counted for purposes of establishing a quorum. The Board of Directors shall adopt and maintain a written conflict of interest policy consistent with the requirements applicable to organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE VI

OFFICERS

SECTION 1. The officers of the Foundation shall be a President, a Vice President, a Secretary, and a Treasurer, who shall be chosen by the Directors annually from the duly elected directors, excepting that the Secretary and Treasurer need not be directors. Officers shall serve for a period of one year and until their successors are chosen unless they are removed or resign prior to such time.
SECTION 2. Subordinate Officers. The Board of Directors may, at their discretion, appoint a membership chair, an assistant secretary, or an assistant treasurer and/or such other and further officers or employees with term of office, duties, and compensation as they may deem proper and necessary.
SECTION 3. Removal of Officers. The Board of Directors may, by majority vote, remove any officer with or without notice and with or without stated cause. Said officer may appeal his/her dismissal to the general membership within two quarterly meetings. Final decision rests in the authority of the majority of the general membership in attendance at that meeting.
SECTION 4. Vacancies. Vacancies in the offices by death, resignation, or removal shall be filled for the unexpired term by majority vote of the Board of Directors.

ARTICLE VII

DUTIES OF OFFICERS

SECTION 1. President. Subject to the authority of the Board of Directors, the President shall be the chief executive officer of the Foundation with the general powers and duties vested in such office together with specific duties and powers with which he/she shall be vested by the Board of Directors. The President shall execute all documents on behalf of the Foundation, preside at all meetings of members and meetings of the Board, shall, with the approval of the Board, appoint such standing or special committees as may be deemed proper, and shall be an ex-officio member of all standing committees. The President shall make an annual report of progress of the Foundation to the members.
SECTION 2. Vice President. The Vice President shall succeed to all powers and perform all duties of the President in the event of a temporary vacancy in that office, or the absence or disability of that officer to act.
SECTION 3. Secretary. The Secretary shall keep or cause to be kept a record of minutes showing all transactions of the members and Directors, sign other documents on behalf of the Foundation, and perform such other duties as may be required by the Board of Directors.
SECTION 4. Treasurer. The Treasurer shall receive all monies due the Foundation, deposit same in depositories and disburse the same as and in the manner determined from time to time by the Board of Directors, keep or cause to be kept an accurate account and record of all properties and financial transactions of the Foundation, prepare tax returns and required annual information returns (including IRS

Form 990 or its equivalent), as required, and render an annual account thereof to the members or periodic accounts as requested by the President or the Board.
SECTION 5. Membership. The Board shall keep or cause to be kept an accurate record of the members of the Foundation, send specific notices to members as may be required and forward a current list of members to the President and Treasurer monthly or as needed.

ARTICLE VIII

DUES AND ASSESSMENTS

SECTION 1. Entrance Fees. No entrance fee shall be charged for membership in the Foundation.
SECTION 2. Dues. Annual dues in such amount as shall be determined by the Board of Directors and approved by the general membership shall be payable by the members. Dues shall be payable at the beginning of the calendar year and failure to pay same within 60 days shall cause the member to lose good standing as provided in Article III, Section 6 hereof.

ARTICLE IX

MISCELLANEOUS

SECTION 1. Fiscal Year. The fiscal year of the Foundation shall be from January 1st to December 31st for tax return purposes. Dues and memberships shall be from January 1st to December 31st.
SECTION 2. Annual Audit. An annual audit or financial review shall be made on the Treasurer's books in the January meeting of the Board of Directors.
SECTION 3. Expenditures. No monies of the Foundation shall be disbursed except on Foundation checks signed by two officers as designated by the Board of Directors.
SECTION 4. Procedures. The business of the Foundation may be conducted under procedures set forth in Robert's Rules of Order, Revised.
SECTION 5. Amendments. These By-Laws may be amended or augmented by resolution of the Board of Directors and approved by majority vote of members present at a member meeting held after 10 days' notice of such meeting, see Article IV, Section 7; provided that no amendment shall be adopted that would be inconsistent with the Foundation's status as an organization described in Section 501(c)(3) of the Internal Revenue Code.
SECTION 6. Reinstatement of Members. Withdrawn members or memberships forfeited through loss of good standing may be reinstated on terms and conditions as prescribed by the Board of Directors.
SECTION 7. Dissolution. In the event of the dissolution, liquidation, or winding up of the Foundation, whether voluntary or involuntary, the Board of Directors shall, after paying or making provision for the payment of all lawful debts and liabilities of the Foundation, distribute all remaining assets exclusively for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or to the federal government, or to a state or local government, for a public purpose, as determined by the Board of Directors. No such assets shall inure to the benefit of any director, officer, or member of the Foundation. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization(s) as said court shall determine.