

**BYLAWS
OF
TORO YOUTH BASEBALL, INC.,
A California Nonprofit Public Benefit Corporation**

**ARTICLE I
General Information**

1.1. **Name.** The name of the corporation is TORO YOUTH BASEBALL, INC., herein referred to as "TYB."

1.2. **Principal Office of TYB.** The principal office for the transaction of the activities and affairs of TYB shall be located in Salinas, Monterey County, California. The Board of Directors may change the location of the principal office from time to time.

1.3. **Other Offices of TYB.** The Board may at any time establish branch or subordinate offices at any place or places where TYB is qualified to conduct its activities.

**ARTICLE II
Purpose**

2.1. **General Purpose of TYB.** The general purpose of TYB is to be a nonprofit Public Benefit Corporation that is not organized for the private gain of any person. TYB is organized under the Nonprofit Public Benefit Corporation Law for public benefit purposes.

2.2. **Specific Purpose of TYB.** The specific purpose of TYB is to teach youth fundamentals of baseball and good sportsmanship. In the context of this purpose, TYB shall provide quality education in the rules and skills of baseball. TYB's program shall afford the opportunity to all youth to engage in an organized and competitive athletic endeavor. TYB is dedicated to the emotional and physical development of the youth in its community. TYB will aid in the development of all-around athletic skills and develop good sportsmanship and character for the community's youth.

2.3. **Declaration of Assets.** TYB's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of TYB, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of TYB. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of TYB shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

**ARTICLE III
MEMBERSHIP**

3.1. **No Members.** TYB shall have no voting members, but the Board of Directors may, by resolution, establish one or more classes of nonvoting members and provide for eligibility requirements for membership and rights and duties of members, including the obligation to pay dues.

ARTICLE IV

Board of Directors

4.1. **General Powers of Board.** Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, TYB's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

4.2. **Specific Powers of Board.** Without prejudice to the general powers set forth in Section 4.1 of these Bylaws, but subject to the same limitations, the Board shall have the power to do the following:

- a. Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service.
- b. Change the principal office or the principal business office in California from one location to another; cause TYB to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in or outside California for holding any meeting of members.
- c. Conduct, manage, and control TYB's temporal affairs and activities and make such rules and regulations for this purpose, consistent with law, the articles of incorporation, and these bylaws, as the Board deems best.
- d. Borrow money and incur indebtedness on TYB's behalf, and cause to be executed and delivered for TYB's purposes, in TYB's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

4.3. **Number of Directors.** The Board of Directors shall consist of at least nine (9) but no more than fifteen (15) directors unless changed by amendment to these bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board of Directors. The qualifications for directors are: (a) a director must have had a child participating in TYB for at least one (1) year; and must be able to commit thirty (30) hours to TYB each baseball league season exclusive of meetings.

4.4. **Interested Persons.** No more than 49 percent of the persons serving on the Board may be "interested persons." An interested person is (a) any person compensated by TYB for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by TYB.

4.5. **Election of and Term of Board Members.** All directors shall be elected for a term of three (3) years. Each director, including a director elected to fill a vacancy or elected at a special

meeting or by written ballot, shall hold office until expiration of the term for which elected and until a successor is elected and qualified.

a. **Staggered Terms.** One-third of the total authorized number of directors shall be elected in each year at the annual meeting of the Board. However, if directors are not elected at an annual meeting, they may be elected at any special meeting held for that purpose or by written ballot. If the total authorized number of directors at any time shall not be evenly divisible by three so that a different number of directors must be elected in certain years, the Board of Directors shall make its best effort to equalize the numbers of director terms expiring in each year. .

b. **Term Endings.** The term of office of each director shall end on the fiscal year end of the applicable year.

c. **Election for Successive Terms of Office.** Each Board member may serve for two (2) consecutive terms or six (6) consecutive years, whichever is less. After serving the maximum amount of consecutive years, a director shall not be eligible for re-election until he or she has been off the Board for at least one year.

4.6. **Vacancies.** A vacancy shall be deemed to exist on the Board in the event that:

a. The actual number of directors is less than the authorized number for any reason;

b. he declaration by Board resolution of a vacancy of the office of a director who has been convicted of a felony or declared of unsound mind by a court order;

c. The removal of a director for fraudulent acts in an action in Superior Court under Corporations Code section 9223; or

d. The increase of the authorized number of directors.

Vacancies on the Board may be filled by approval of the Board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice complying with these Bylaws, or (3) a sole remaining director.

4.7. **Resignation.** Except as provided below, any director may resign by giving written notice to the chairman of the Board, if any, or to the president or the secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Except on notice to the California Attorney General, no director may resign if TYB would be left without a duly elected director or directors.

4.8. **Removal.** Any director may be removed, with or without cause, by the vote of the majority of the members of the entire Board of Directors.

In addition, if a Board member has two (2) or more unexcused absences, that Board member will be brought up for review for removal by the Board of Directors. An unexcused absence is defined as when a member has made no contact with either the Secretary or the President prior to any TYB event where that Board member has been scheduled. Any director who does not attend three (3) successive Board meetings will automatically be removed from the Board without Board resolution unless (a) the director requests a leave of absence for a limited period of time, and the leave is approved by the directors at a regular or special meeting (if such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present), (b) the director suffers from an illness or disability that prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection; or (c) the Board by resolution of the majority of Board members must agree before a director who has missed three meetings may be reinstated.

Any reduction of the authorized number of directors shall not result in any director being removed before his or her term of office expires.

Any vacancy caused by the removal of a director shall be filled as provided in Section 4.6.

4.9. **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 so designated, at the principal office of TYB.

b. **Annual Meetings.** A meeting of the Board of Directors shall be held at least once a year for purposes of organization, election of officers, and transaction of other business. Annual meetings shall be called by the President or any two directors, and noticed in accordance with Section 4.9.f.

c. **Special Meetings.** Special meetings of the Board of Directors may be called by the President or any two directors, and noticed in accordance with Section 4.9.f.

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

e. **Meeting by Telephone or Other Communication.** Any Board meeting may be held by telephone conference, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply:

i. Each director participating in the meeting can communicate concurrently with all other members.

ii. Each director is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by TYB.

f. **Notice.** Notice of the time and place of the annual meeting and special meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, 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) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the director's address, telephone number, facsimile number, and/or email address as shown on TYB's records.

Notices sent by first-class mail shall be deposited in the United States mails at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or sent, respectively, at least 48 hours before the time set for the meeting.

The notice shall state the time of the meeting and the place, if the place is other than TYB's principal office. The notice need not specify the purpose of the 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 who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

h. **Quorum.** A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. 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 an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

i. **Adjournment.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 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.

j. **Action Without Meeting.** Any action that the Board is required or permitted to take may be taken without a meeting if all Board members consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which TYB is a party and who is an “interested director” as defined in Corporations Code section 5233 shall not be required for approval of that transaction. 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.

4.10. **Compensation.** Directors and members of committees of the Board may receive such compensation, if any, for their services as directors or officers, and such reimbursement of expenses, as the Board may establish by resolution to be just and reasonable as to TYB at the time that the resolution is adopted.

4.11. **Standard of Care.**

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

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

- (i) One or more officers or employees of TYB whom the director believes to be reliable and competent as to the matters presented;
- (ii) Counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or
- (iii) A Board Committee upon which the director does not serve, as to matters within its designated authority, provided that the director believes such Committee merits confidence; so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VII below, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

b. **Investments.** Except with respect to assets held for use or used directly in carrying out TYB's charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing TYB's investments, the Board shall avoid speculation, looking instead to the permanent-disposition of the funds, considering the probable income as well as the probable

safety of TYB's capital. No investment violates this Section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to TYB.

ARTICLE V Committees

5.1. **Creation of Committees.** The Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may do the following:

- a. Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- b. Fill vacancies on the Board or any committee of the Board;
- c. Fix compensation of the directors for serving on the Board or on any committee;
- d. Amend or repeal bylaws or adopt new bylaws;
- e. Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- f. Create any other committees of the Board or appoint the members of committees of the Board;
- g. Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or approve any contract or transaction to which TYB is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Corporations Code section 5233(d)(3).

5.2. **Audit Committee.** For any tax year in which TYB has gross revenues of Two Million Dollars (\$2,000,000) or more, TYB shall have an audit committee consisting of at least two directors, and may include nonvoting advisors. Directors who are employees or officers of TYB or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from TYB (other than for service as director) may not serve on the audit committee. The audit committee shall perform the duties and adhere to the guidelines set forth in TYB's audit committee charter as amended from time to time by the Board. Such duties include, but are not limited to:

- a. Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;

- b. Negotiating the auditor's compensation;
- c. Conferring with the auditor regarding TYB's financial affairs; and
- d. Reviewing and accepting or rejecting the audit.

Members of the audit committee shall not receive compensation for their service on the audit committee in excess of that provided to directors for their service on the Board. If TYB has a finance committee, a majority of the members of the audit committee may not concurrently serve as members of the finance committee, and the chair of the audit committee may not serve on the finance committee.

5.3. **Advisory Committees**. The Board of Directors may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors or non-directors and may be appointed as the Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of TYB, but shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee.

The following Advisory Committees are being established by these Bylaws:

a. **Decisions Committee**. Subject to the approval of the Board of Directors, the President shall appoint a Decisions Committee, chaired by the Vice President, to receive and resolve all protests lodged during the playing of league games. The Decisions Committee shall be comprised of at least one (1) representative from each league division (Shetland, Pinto, Mustang, Bronco, and Pony) with no more than two (2) Board members being on the Committee. There shall be no more than seven (7) members of this Committee. At least three (3) members of the committee must be present to render a decision. The committee's decisions are final and not subject to appeal.

Each manager/coach involved in the protest has the right to appear before the Committee, at its scheduled meeting before a decision is rendered. The manager/coach must receive at least a three (3) day notification prior to the meeting. If a manager/coach cannot attend the scheduled meeting, s/he may send an agent to represent his/her interest(s). Otherwise s/he forfeits his/her right to appear before the Committee.

b. **Disciplinary Actions Committee**. Subject to the approval of the Board of Directors, the President shall appoint a Disciplinary Actions Committee ("DAC"), chaired by the Vice President, to receive and resolve all disciplinary actions required to be reviewed during the playing of league games or league activities. The DAC shall be comprised of at least the Vice-President, Divisional Coordinator, the Division Director, Field Commissioner on duty, and two (2) at large members appointed by the President and approved by the Board. There shall be no more than seven (7) members of this Committee. At least three (3) members of the committee must be present to render a decision. The committee's decisions are final and not subject to appeal.

Each player, manager, coach, or person involved in the disciplinary action has the right to appear before DAC, at its scheduled meeting, before a decision is rendered. All parties involved must be notified of the pending hearing, which will be held at the Vice President's

earliest possible convenience. Each person involved in the disciplinary action may bring one (1) other person, in an advisory capacity, but written statements may be accepted. If a player/manager/coach/person cannot attend the scheduled meeting, s/he may send an agent to represent his/her interest(s). Otherwise s/he forfeits his/her right to appear before the Committee.

The following violations will not be reviewed by the DAC but will result in immediate expulsion from TYB with a vote from the Toro Pony Board of Directors and the offending person will be advised in writing that he or she has been expelled from present and future participation in the league:

- i. Any attempt to physically harm an umpire, coach, manager or player;
- ii. Any manager, coach, parent, guardian, player or other member willfully striking or fighting with any other manager, coach, parent, guardian, player or other member at any league game or TYB activities;
- iii. Causing physical harm to an opponent due to any act of violence; or
- iv. Theft of league funds.

5.4. **Term of Committee Appointments.** Appointments to committees are for the term of one (1) year.

5.5. **Meetings of Committees.** Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings and other Board actions, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board has not adopted rules, the committee may do so.

ARTICLE VI Officers

6.1. **Officers.** The officers of TYB shall be president, executive vice president, secretary, and treasurer. TYB, at the Board's discretion, may also have a chairman of the Board, one or more other vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under this Article VI of these Bylaws.

Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as either the president or the chairman of the Board nor may any two (2) financial positions (as described in Section 6.6 of this Article) be held by persons living together in any one (1) household. .

6.2. **Appointment of Officers by Board.** The officers of TYB shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

6.3. **Resignation of Officer.** Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of TYB under any contract to which the officer is a party.

6.4. **Removal.** Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors or by an officer on whom such power of removal may be conferred by the Board of Directors.

6.5. **Vacancy.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for normal appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

6.6. **Required Board Participation Prior to Appointment to Certain Offices.** President, Vice President(s), Treasurer, and Secretary are considered financial in nature, and a person must have served on the Board of Directors for a period of one (1) year prior to running for any of these positions. Exceptions can be made and voted on as deemed necessary by the Board of Directors.

6.7. **Chairman of the Board.** If a chairman of the Board of Directors is elected, he or she shall preside at Board meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no president, the chairman of the Board shall also be the chief executive officer and shall have the powers and duties of the president of TYB set forth in these bylaws.

6.8. **President.** The president shall:

- a. In the absence of a chairman of the Board, or if no chairman of the Board, preside at Board meetings and assume full responsibility for the operation of TYB;
- b. Perform such duties and assignments as customarily pertain to the office;
- c. Assume the duties of any Board Member in that member's absence; and
- d. May countersign checks with the Treasurer.

6.9. **Executive Vice President.** The Executive Vice President shall:

- a. If the president is absent or disabled, perform all duties of the president and when so acting, shall have all powers of and be subject to all restrictions on the president as well as such other powers and perform such other duties as the Board or the bylaws may require;
- b. Serve as the presidential aide and carry out such duties and assignments as the President may direct;

- c. Serve as an ex officio member of all committees;
- d. Chair the Disciplinary Action Committee (DAC); and
- e. Chair the Decisions Committee upon appointment by the league President.

6.10. **Secretary**. The secretary shall:

- a. Keep or cause to be kept, at TYB's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings and the minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and the number of members present or represented at members' meetings;
- b. Keep or cause to be kept, at the principal California office, a copy of the Articles of Incorporation and Bylaws, as amended to date;
- c. Give, or cause to be given, notice of all meetings of members, of the Board, and of committees of the Board that these bylaws require to be given;
- d. Keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the bylaws may require;
- e. Send out correspondence concerning TYB matters, including sponsor thank you letters;
- f. Distribute copies of minutes of previous Boards Meetings at each meeting; and
- g. After the annual elections, send an annual report and roster of the Board of Directors and officers to the Secretary of State.

6.11. **Treasurer**. The treasurer shall:

- a. Keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of TYB's properties and transactions;
- b. Send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board and the books of account shall be open to inspection by any director at all reasonable times;
- c. (i) Deposit, or cause to be deposited, within ten (10) days of receipt, all money and other valuables in the name and to the credit of TYB with such depositories as the Board may designate; (ii) disburse TYB's funds as the Board may order; (iii) render to the president, chairman of the Board, if any, and the Board, when requested, an account of all transactions as treasurer and of the financial condition of TYB; and (iv) have such other powers and perform such other duties as the Board or the bylaws may require;

d. If required by the Board, give TYB a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to TYB of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the treasurer on his or her death, resignation, retirement, or removal from office; and

i. Ensure taxes are filed and, if necessary, payment made each year by the tax filing deadline date including any applicable extensions.

ARTICLE VII Prohibited Transactions

7.1. No director of TYB nor any other corporation, firm, association, or other entity in which one or more of TYB's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with TYB, unless (a) the transaction is approved or ratified in good faith by the other directors, after notice and disclosure to the other directors of the material facts concerning the transaction and the director's interest in the transaction, or (b)(i) the material facts regarding such director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all Board members before consideration by the Board of such contract or transaction; (ii) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote of the interested directors; (c) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that TYB could not obtain a more advantageous arrangement with reasonable effort under the circumstances, or the transaction was in furtherance of TYB's public purposes; and (d) TYB enters into the transaction for its own benefit or for the benefit of the organization, and the transaction is fair and reasonable to TYB or was in furtherance of its public benefit purposes at the time the transaction is entered into.

This Section does not apply to a transaction that is part of a public, charitable, or religious program of TYB if it (a) is approved or authorized by TYB in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the public, charitable, or religious program of TYB.

7.2. **No Loans to Officers or Directors.** TYB shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General; provided, however, that TYB may advance money to a director or officer of TYB for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses by TYB.

ARTICLE VIII Indemnification

8.1. **Indemnification**. To the fullest extent permitted by law, TYB shall indemnify its directors, officers, employees, and other persons described in Corporations Code section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of TYB, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

8.2. **Indemnification Request Must be in Writing**. On written request to the Board by any person seeking indemnification under Corporations Code section 5238(b) or section 5238(c), the Board shall promptly decide under Corporations Code section 5238(e) whether the applicable standard of conduct set forth in Corporations Code section 5238(b) or section 5238(c) has been met and, if so, the Board shall authorize indemnification.

8.3. **Advancing Expenses**. To the fullest extent allowed by section 5238 of the California Nonprofit Public Benefit Corporation Law, and except as otherwise determined by the Board of Directors in specific instances, the Board shall authorize the advance of expenses incurred by or on behalf of an agent of TYB in defending any proceeding prior to final disposition, if the Board finds that:

- (a) The requested advances are reasonable in amount under the circumstances; and
- (b) Before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

Unless the Board finds compelling reasons to do otherwise, the undertaking shall be unsecured, and no interest shall be charged on the obligation created thereby.

8.4. **Insurance**. TYB shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such.

ARTICLE IX Financial Policy; Accounting; Books and Records

9.1. **Fiscal Year**. The fiscal year of TYB shall end each year on September 30.

9.2. **Books and Records**. TYB shall keep adequate and correct books and records of account and minutes of the proceedings of its Board. The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

9.3. **Check Signing Authority.** The Treasurer and one (1) other financial officer as described in Section 6.6 of this Article must sign all TYB issued checks over \$1,000.00. The check signers cannot be related.

9.4. **Collection of Money.** When money is collected in all TYB matters, one of the financial officers must be in attendance and take control of the money. Money should not be collected without issuing a numbered receipt with the exception of snack bar sales and special league sales such as t-shirts and hats.

9.5. **Budget.** The annual budget will be prepared by the Treasurer and Executive Vice President and submitted to the Board for approval. Included in the main budget, the budgets for each individual director will also be approved by the Board. The budget will include all projected income and expenses for the fiscal year. The budget will be available for review upon request from any member.

Expenditures will be made in accordance with the approved budget. Expenditures outside or exceeding the budget require approval by the Board of Directors. Each month the budget will be reviewed by the Treasurer comparing budget vs. actual income and expenses.

9.6. **Contracts, Notes, and Checks.** All contracts entered into on behalf of TYB must be authorized by the Board of Directors or the person or persons on whom such power may be conferred by the Board from time to time, and, except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of TYB shall be signed by the person or persons on whom such power may be conferred by the Board from time to time.

9.7. **Required Financial Audits.** TYB shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Whether or not they are required by law, any audited financial statements obtained by TYB shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three years (1) by making them available at TYB's principal, regional, and district offices during regular business hours and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on TYB's website.

9.8. **Location of Corporate Documents.** TYB shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the members at all reasonable times during office hours. If TYB has no business office in California, the Secretary shall, on the written request of any member, furnish to that member a copy of the articles of incorporation and bylaws, as amended to the current date.

9.9. **Right of Inspection.** Every director shall have the absolute right at any reasonable time to inspect TYB's books, records, documents of every kind and to inspect the physical properties of TYB. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

9.10. **Grants or Special Donations.** Grants or special donations will be decided upon an individual basis.

ARTICLE X
Miscellaneous

10.1. **Amendments**. Proposed amendments to these Bylaws shall be submitted in writing to the directors at least one week in advance of the Board meeting at which they will be considered for adoption. The vote of a majority of the directors then in office or the unanimous written consent of the directors shall be required to adopt a Bylaw amendment.

10.2. **Governing Law**. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

10.3. **Construction and Definitions**. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

10.4. **Electronic Transmissions**. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (a) for electronic transmissions from TYB, TYB has obtained an unrevoked written consent from the recipient to the use of such means of communication; (b) for electronic transmissions to TYB, TYB has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (c) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.