

BYLAWS OF PEPPER TREE FOUNDATION, INC.

A California Nonprofit Public Benefit Corporation

Second Amended and Restated

Originally Effective January 28, 2003

Revised January 12, 2021

ARTICLE I. NAME AND SPECIFIC PURPOSE

Name

Section 1.01 The name of this corporation is Pepper Tree Foundation, Inc.

Specific Purposes

Section 1.02 The specific purposes of this corporation are to (1) help support City owned parks, trails, open space, and facilities, and to (2) help support community arts, ceremonial, cultural, educational, entertainment, and recreational events and programs.

Dedication of assets

Section 1.03 This corporation's assets are irrevocably dedicated to the above described purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, will inure to the benefit of any private person or individual, or to any Director or Officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation will 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 II. OFFICE

Principal Office

Section 2.01 The principal office for the transaction of the activities and affairs of this corporation is located at located at City Hall, 4045 Palos Verdes Drive North, Rolling Hills Estates, California. The Board of Directors may change the principal office of the corporation from one location to another in the County of Los Angeles, California. Any such change must be noted by the Secretary in these Bylaws, but will not be considered an amendment of these Bylaws.

ARTICLE III. BOARD OF DIRECTORS

Number

Section 3.01 The corporation has five (5) Directors. Collectively, the Directors are referred to as the Board of Directors.

Qualifications

Section 3.02 Directors are those persons duly elected or appointed as members of the City Council of the City of Rolling Hills Estates.

Term of Office

Section 3.03 Membership will automatically begin when a person is sworn into the office of a member of the City Council of the City of Rolling Hills Estates, and will automatically terminate when, for any reason, the person is no longer a member of the City Council of the City of Rolling Hills Estates.

Chair and Vice Chair

Section 3.04 The person who is Mayor of the City of Rolling Hills Estates, or in such person's absence, the Mayor Pro Tem, of the City of Rolling Hills Estates will be the Chair and Vice Chair, respectively, and will preside over the meetings of the Board of Directors.

Secretary of the Board

Section 3.05 The person who is the City Clerk of the City of Rolling Hills Estates will act as Secretary of the Board.

Compensation

Section 3.06 The Board of Directors will serve without compensation, except that they may be reimbursed for necessary and reasonable expenses incurred in the performance of their duties as Directors.

MEETINGS OF THE BOARD OF DIRECTORS

Meetings

Section 3.07 (a) All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings will be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950) of the Government Code, or any successor legislation ("Brown Act").

Place of Meetings

(b) All meetings of the Board of Directors will be held at the principal office of the corporation as specified in Section 2.01 of these Bylaws or as changed from time to time as provided therein.

Regular Annual Meeting

(c) The regular annual meeting of the Board of Directors will be held on the second Tuesday of January of each year at 7:30 p.m.; provided, however, that should such day fall upon a legal holiday, then the annual meeting will be held at the same time on the next meeting of the City Council of the City of Rolling Hills Estates. The regular annual meeting of the Board may be held as part of the agenda of a meeting of the Directors, sitting as members of the City Council of the City of Rolling Hills Estates.

Quorum

(d) A majority of the authorized number of the Directors constitutes a quorum of the Board of Directors for the transaction of business, except as hereinafter provided.

Transactions of the Board of Directors

(e) Except as otherwise provided in these Bylaws, or by law, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, provided however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for such meeting or such greater number as is required by the law, the Articles, or by these Bylaws.

Minutes

(f) To the extent that such minutes refer specifically to the corporation, minutes of the corporation may be incorporated within the minutes of the City Council of the City of Rolling Hills Estates.

ARTICLE IV. ADVISORY BOARD

Number

Section 4.01 The Park and Activities Commission of the City of Rolling Hills Estates will serve as an advisory board to the Board of Directors of the corporation. Collectively, such Members will be referred to as the Advisory Board.

Qualifications

Section 4.02 Advisory Board Members will be those persons duly appointed to the Park and Activities Commission by City Council of the City of Rolling Hills Estates.

Term of Office

Section 4.03 Membership will automatically begin when a person is appointed as a member of the Park and Activities Commission of the City of Rolling Hills Estates, and will automatically terminate when, for any reason, the person is no longer a member of the Park and Activities Commission of the City of Rolling Hills Estates.

Chair

Section 4.04 The person who is selected as Chair of the Park and Activities Commission, or in such person's absence, the Vice Chair of the Park and Activities Commission, will be the Chair of and will preside over the meetings of the Advisory Board.

Secretary of the Advisory Board

Section 4.05 The Vice Chair of the Park and Activities Commission will act as Secretary of the Advisory Board. The Secretary may delegate duties to a member of the staff of the City of Rolling Hills Estates.

Compensation

Section 4.06 Members of the Advisory Board will serve without compensation, except that they may be reimbursed for necessary and reasonable expenses incurred in the performance of their duties as Members.

MEETINGS OF THE ADVISORY BOARD

Meetings

Section 4.07 (a) Meetings of the Advisory Board will be called, noticed, held and conducted in accordance with the provisions of the Brown Act.

Place of Meetings

(b) All meetings of the Advisory Board will be held at the principal office of the corporation as specified in Section 2.01 of these Bylaws or as changed from time to time as provided therein.

Quorum

(c) A majority of the authorized number of Advisory Board Members constitutes a quorum of the Advisory Board for the transaction of business, except as hereinafter provided.

Transactions of the Board

(d) Except as otherwise provided in these Bylaws, every act or decision done or made by a majority of the Advisory Board Members present at a meeting duly held at which a quorum is present is the act of the Advisory Board; provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Members if any action taken is approved by at least a majority of the required quorum for such meeting.

ARTICLE V. BOARD COMMITTEES.

Committees of the Board of Directors

Section 5.01 The Board of Directors may create committees to further the purposes of the corporation.

Minutes and Reports.

Section 5.02 Each committee will keep regular minutes of its proceedings, which will be filed with the Secretary. All actions by any committee must be reported to the Board of Directors at the next meeting of the Board of Directors and will be subject to review and revision by the Board of Directors.

Meetings.

Section 5.03 Except as otherwise provided in these Bylaws, the Brown Act, or by resolution of the Board of Directors, each committee will adopt its own rules governing the time

and place of holding and the method of calling its meetings and the conduct of its proceedings and will meet as provided by such rules.

Term of Office of Committee Members.

Section 5.04 Each committee member will serve at the pleasure of the Board of Directors, but, in the case of a Director, not to exceed such committee member's term as a Director.

ARTICLE VI. MEMBERS

No Voting Members

Section 6.01 This corporation will have no voting members within the meaning of the Nonprofit Corporation Law. The corporation's Board of Directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes will have such rights and obligations as the Board finds appropriate.

ARTICLE VII. OFFICERS

Number and Titles

Section 7.01 The officers of the corporation are the Chair of the Board, a Secretary, a Chief Executive Officer, a Chief Financial Officer, and such other officers with such titles and duties as may be determined by the Board of Directors and as may be necessary to enable it to sign instruments. Any number of offices maybe held, by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the Chair of the Board.

Appointment

Section 7.02 The officers of the corporation will serve at the pleasure of the Board of Directors, subject to the rights, if any, under any contract of employment or personnel policies of the City of Rolling Hills Estates.

Chair

Section 7.03 (a) The Chair of the Board will perform all duties incident to the office of the Chair of the Board and such other duties as may be required by law or these Bylaws, or which may be prescribed from time to time by the Board of Directors.

Secretary

(b) The person who is the City Clerk of the City of Rolling Hills Estates will serve as the Secretary of the corporation. The Secretary will keep or cause to be kept at the principal office of the corporation, or such other place as the Board of Directors may order, a book of minutes of all meetings of the Board of Directors. The Secretary will 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 of Directors. The Secretary may delegate duties to another member of the staff of the City of Rolling Hills Estates.

Chief Financial Officer

(c) The person who is the Administrative Services Officer of the City of Rolling Hills Estates will serve as the Chief Financial Officer of the corporation and will keep and maintain in written form or in any other form capable of being converted into written form, adequate and correct books and records of account of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books and records of account will at all times be open to inspection by any Director of the corporation. The Chief Financial Officer must deposit all monies and other valuables in the name of and to the credit of the corporation with such depositories as may be designated by the Board of Directors. The Chief Financial Officer will disburse the funds of the corporation as ordered by the Board of Directors, and will render to the Chair of the Board and the Directors, on request, an account of all such officer's transactions as Chief Financial Officer, and of the financial condition of the corporation. The Chief Financial Officer will 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 of Directors or these Bylaws. The Chief Financial Officer may delegate duties to another member of the staff of the City of Rolling Hills Estates.

Chief Executive Officer

(d) The person who is the City Manager of the City of Rolling Hills Estates will serve as the Chief Executive Officer of the corporation and will have day-to-day supervision, direction, and control of the business and affairs of the corporation as would typically be performed by a president of a corporation, and will perform such duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or these Bylaws. The Chief Executive Officer may delegate duties to another member of the staff of the City of Rolling Hills Estates.

Resignation and Removal of Officers

Section 7.04 Any officer may resign at any time on written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Officers may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of all of the Directors, and their position will automatically terminate when, for any reason, the person is no longer an employee or elected official of the City of Rolling Hills Estates.

Vacancies in Office

Section 7.05 A vacancy in any office because of death, resignation, removal, disqualification, or any other cause will 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.

Financial Interest In Contracts By Directors And Officers

Section 7.06 No Director or officer of this corporation may have a reasonably foreseeable material financial interest in any contract or transaction of the corporation in accordance with the Political Reform Act and the rules and regulations of the Fair Political Practices Commission.

Indemnification

Section 7.07 (a) To the fullest extent permitted by law, this corporation will 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 the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, will have the same meaning as in that section of the Corporations Code.

(b) On written request to the Board of Directors by any person seeking indemnification under Corporations Code section 5238(b) or section 5238(c), the Board will 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 will authorize indemnification. If the Board cannot authorize indemnification, because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board will promptly call a meeting. At that meeting, the Directors will determine under Corporations Code section 5238(e) whether the applicable standard of conduct has been met and, if so, the Directors present at the meeting in person or by proxy may authorize indemnification.

(c) To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under Section 6.07 of these Bylaws in defending any proceeding covered by such section will be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

ARTICLE VIII. INVESTMENTS AND DEPOSITS.

Investment Standards

Section 8.01 In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the corporation's investments, other than assets held for use or used directly in carrying out a public or charitable program of the corporation, the Board of Directors will follow the prudent investor standard.

Retention of Property

Section 8.02 Unless limited by the Articles, the corporation may continue to hold property properly acquired or contributed to it if and as long as the Board of Directors, in the exercise of good faith and of reasonable prudence, discretion, and intelligence, may consider that retention is in the best interests of the corporation. No retention of donated assets violates this Section 8.02, where such retention was required by the donor in the instrument under which the assets were received by the corporation, except that no such requirement may be effective more than ten years after the death of the donor.

Deposits

Section 8.03 The funds of the corporation not otherwise employed will be deposited from time-to-time to the order of the corporation in such banks, trust companies, or other depositories as approved by the Board of Directors.

ARTICLE IX. GRANTS.

Section 9.01. The making of grants and contributions, and otherwise rendering financial assistance for the purposes of the corporation, may be authorized by the Board of Directors. The Board of Directors may authorize any officer or officers, agent or agents, in the name of and on behalf of the corporation, to make any such grants, contributions or assistance.

ARTICLE X. AMENDMENTS

Section 10.01. New Bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote of a majority of the Board of Directors, except as otherwise provided by law or by the Articles. The Articles may likewise be amended by the affirmative vote of a majority of the Board of Directors.

ARTICLE XI. CORPORATE RECORDS AND REPORTS

Keeping Records

Section 11.01 The corporation will keep adequate and correct records of account and minutes of the proceedings of its Board of Directors, and committees of the Board. The minutes will be kept in written form. Other books and records will be kept in either written form or in any other form capable of being converted into written form.

Directors' Right To Inspect

Section 11.02 Every Director has the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary. 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.

Annual Statement of Certain Transactions and Indemnifications.

Section 11.03 The Board of Directors will cause an annual report to be sent to the Directors within 120 days after the end of the corporation's fiscal year. That report will contain the following information, in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (d) The corporation's expenses or disbursements for both general and restricted purposes; and

(e) An independent accountants' report or, if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

This requirement of an annual report will not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors who requests it in writing.

CERTIFICATE OF SECRETARY

I certify that I am the duly acting Secretary of the Pepper Tree Foundation, Inc., a California nonprofit public benefit corporation; that these Bylaws, consisting of nine (9) pages, are the amended and restated bylaws of this corporation as adopted by the Board of Directors on January 12, 2021 and that these Bylaws have not been amended or modified since that date.

Executed on January 12, 2021, at the City of Rolling Hills Estates, California.

Secretary,



Lauren Pettit