

Forward Motion Race Club Bylaws

BYLAWS OF FORWARD MOTION RACE CLUB

Amended May 10, 2017

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ARTICLE 1- NAME AND OFFICES

Section 1.01 - Name and Principal Office. The name of the organization shall be "Forward Motion Race Club," herein called "Club" or "corporation." The Club's principal office shall be fixed and located at such place within the State of California as the Board of Directors (herein called the "Board") shall determine. The Board is granted full power and authority to change the principal office from one location to another.

ARTICLE 2 - PURPOSE

Section 2.01 - Purpose. The general purpose of the Club is the promotion, encouragement, and education of its members of the benefits of running, swimming, cycling, and triathlon.

In furtherance of its general purpose, the Club may: organize and hold athletic races and championship events; lectures; training events; education activities; clinics; social events; print and publish books, magazines, and newsletters; present awards; participate in fund-raising activities for other non-profit organizations; and do all other things as may be conducive to the encouragement of running, swimming, cycling, and triathlon.

Other objectives of the Club include engaging in community activities to publicize the fitness and health benefits of running, swimming, cycling, and triathlon by appropriate means.

ARTICLE 3 - AFFILIATION

Section 3.01 - Affiliation. The Club shall be a "chapter" of the Road Runners Club of America, USA Track and Field, and USA Triathlon. All measures and rules adopted by those bodies that are applicable to local "chapters" shall be considered by the Club.

MEMBERSHIP

Section 3.02 - Members. Individuals who wish to participate in the Club's activities shall submit membership dues and an application for membership. Membership is on a 1 year basis from date of payment. Membership renewal notices will be sent out a minimum of 14 days prior to the anniversary date of the membership expiration. Membership expires when dues are not paid by the membership expiration date which is 1 year from the date of payment.

Section 3.03 - Membership Dues. The annual amount of membership dues charged to each member shall be determined by a majority of Board members present at a Board meeting and shall not be changed more than once per year. All members shall pay dues except for elected officers, appointed directors as defined in these Bylaws, and employees of Forward Motion Sports who actively seek membership in the Club by completing a membership application - so long as Forward Motion Sports is the primary sponsor of the Club. Club Officers are provided a free membership renewal for the duration of their term on the Board. Free membership renewals granted for any Member or Officer are not subject to the 1 year paid basis and terminate on the end of the contracted or elected term.

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Section 3.04 - Expenditure of Dues and Other Receipts. Membership dues, entry fees, and all other monies received by the Club shall only be used to carry out the stated purpose of the Club as stated in Section 2.01 of these Bylaws. No part of the membership dues, entry fees, other receipts or the net earnings of the Club shall inure to the benefit of any individual without Board approval in accordance with Article 6 (self-dealing transactions).

Section 3.05 - Additional rights of members and Board. Members of the Club may originate and take part in the discussion of any subject that may properly come before any meeting of the Board, but may not vote with the Board. The Board may also, in its discretion, without establishing memberships, establish an advisory council or honorary board or such other auxiliary groups as it deems appropriate to advise and support the Club.

ARTICLE 4 - DIRECTORS

Section 4.01 - Powers.

- 1) **General Corporate Powers.** Subject to the limitations of the Articles of Incorporation and these Bylaws, the activities and affairs of the Club shall be conducted and all its powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Club to any person(s), a management company or committees however composed, provided that the activities and affairs of the Club shall be managed and all of the Club's powers shall be exercised under the ultimate direction of the Board.
- 2) **Specific Powers.** Without prejudice to the general powers set forth in Section 4.01(1), but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws and permitted by Jaw:
 - a. To select and remove all the officers of the Club; prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation or these Bylaws;
 - b. To conduct, manage and control the affairs and activities of the Club and to make such rules and regulations therefore not inconsistent with law, the Articles of Incorporation or these Bylaws, as they may deem best;
 - c. To adopt, make and use a Club seal or logo and to alter the form of the seal or logo from time to time as they may deem best;
 - d. To carry on activities to raise funds and apply any funds that results from the activity to any other activity in which it may lawfully engage;
 - e. To act as trustee under any trust or bank account incidental to the principal purpose of the Club, and receive, hold, administer, exchange and expend funds and property subject to such trust or bank account.
- 3) **Board's Ultimate Authority.** No assignment referral or delegation of authority by the Board or anyone else shall preclude the Board from exercising the authority required to meet its responsibility for the conduct of the activities of the Club and the Board shall retain the right to rescind any such delegation.

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Section 4.02 - Number, Term and Qualification of Directors.

- 1) **Number of Directors.** The number of directors shall be not less than five (5) or more than thirteen (13). At all times the authorized number of directors shall be an odd number. In no event shall the term of a director be shortened by a reduction in the size of the Board.
- 2) **Terms of Directors.** The term of office of each Director shall be 1 year. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until the election and qualification of a successor, or until that Director's earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law. A director may be appointed or elected to consecutive terms.

Section 4.03 - Vacancies on Board.

- 1) **Events Causing Vacancy.** A vacancy or vacancies on the Board may exist due to resignation or removal of a director prior to the expiration of the director's current term, or by an increase in the authorized number of directors.
 - 2) **Resignations.** Except as provided below, any director may resign by giving written notice 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. No director may resign if the corporation would be left without a duly elected director or directors.
 - 3) **Filling Vacancies.** Except for a vacancy created by the removal of a director by the members, vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. The members may fill any vacancy or vacancies not filled by the directors. Vacancies filled before the expiration of the current term shall expire at the end of the current term that the position originally was due to expire.
 - 4) **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.
- Section 4.04 - Place of Meetings. Meetings of the Board may be held at the principal office of the Club or at any other place within or without the State of California which has been designated in the notice of the meeting or, if there is no notice, from time to time by resolution of the Board.

Section 4.05 - Annual Meetings. The Board shall hold an annual meeting for the purpose of electing directors, organization, selection of officers, and the transaction of other business.

Section 4.06 - Regular Meetings. Regular meetings of the Board, including the annual meeting, shall be held without call or notice on such dates and at such times and places as may be from time to time fixed by the Board. Regular meetings of the Board shall be held at least once each quarter and more frequently if called or noticed by the president.

Section 4.07 - Special Meetings.

- 1) **Authority to Call.** Special meetings of the Board for any purpose(s) may be called at any time by the president, or any vice president, the secretary, or any two directors.

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- a) Notice. Special meetings of the Board shall be held upon five (5) days' notice given personally or by telephone, , electronic mail or other similar means of communication. Any such notice shall be addressed or delivered to each director at the directors address as it is shown on the records of the Club or as may have been given to the Club by the director for purposes of notice or, if an address is not shown on the Club's records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held.

Section 4.08 - Quorum. Half of the directors then in office plus one shall constitute a quorum for the transaction of business, except to adjourn. Except as provided in Article 11, every action taken or decision made by half of the directors present, plus one, at a duly held meeting at which a quorum is present is an act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken or decision made is approved by at least half plus one of the required quorum for that meeting.

Section 4.09 - Participation in Meetings by Conference Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

Section 4.10 - Waiver of Notice. Notice of a meeting need not be given to any director who signs a waiver of notice, a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to such director prior thereto or at its commencement. All such waivers, consents and approvals shall be filed with the Club's records or made a part of the minutes of the meetings.

Section 4.11 - Adjournment. One half plus one of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place.

Section 4.12 - Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent to such action. Such consent(s) shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

Section 4.13 - Rights of Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Club.

Section 4.14 - Fees and Compensation. Directors shall not receive any compensation for their services; however, the Board may approve the reimbursement of a director's actual and necessary expenses incurred in the conduct of the Club's business. The Club may carry liability insurance respecting the conduct of the Club's business by the directors.

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Section 4.15 - Standard of Care.

- 1) Prudent Director. A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interests of the Club and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.
 - a) Reasonable Reliance. 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:
 - b) Club Officers. One or more officers of the Club whom the director believes to be reliable and competent in the matters presented;
 - c) Professionals. Legal counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or
 - d) Committee. A committee of the Board or other committee of the Club upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit 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.

ARTICLE 5 - COMMITTEES

Section 5.01 - Board Committees. The Board may, by resolution, create one or more standing or ad hoc committees. Appointments to such Board committees shall be by majority vote of the directors then in office. Unless otherwise provided in these Bylaws or by the laws of the State of California, each Board committee shall have all of the authority of the Board to the extent delegated by the Board, except that no Board committee, regardless of Board resolution, may:

- 1) Vacancies. Fill vacancies on the Board of Directors or on any committee which has the authority of the Board;
- 2) Bylaws. Amend or repeal Bylaws or adopt new Bylaws;
- 3) Board Resolutions. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- 4) Committee. Appoint any other committees of the Board or the members of Board committees.
- 5) Club Funds. Expend corporate funds to support a nominee or applicant for director.
- 6) Contracts. Sign or execute any contract or legally binding agreement on behalf of the Club.

Section 5.02 - Meetings and Action of Board Committees. Meetings and actions of Board committees shall be governed by, held, and taken in accordance with the provisions of Article 4 of these Bylaws, concerning meetings of the Board, with such changes in the context of those provisions as are necessary to substitute the committee and its members for the Board and its members, except that the time of regular meetings of the committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of Board committees shall also be given to any and all alternate members who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any Board committee not inconsistent with the provisions of these Bylaws.

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Section 5.03 - Election Nominating Committee. The Board shall form the Nominating Committee for purposes of Board elections. The Nominating Committee shall be composed of at least five (3) members as follows: one (1) Board member, (1) communications lead from the general membership, and (1) voting operations lead appointed during each July of an election year. The Nominating Committee shall meet in July. A list of candidates for each Board position shall be presented to the general membership at least 7 days prior to the Club's election which shall take place in August. Additional candidates may be presented to the general membership at the election.

Officers shall be elected by a majority vote of those present at a Regular Meeting of the Board, provided one third of the Board is present. Elections may also be conducted on an internet based voting mechanism that protects the privacy of the casted ballot. The duration of the internet based open voting period shall be closed 7 days from the date of inception within the month of August. No quorum is required when internet-based voting is used. The results of the vote must be ratified by the board and announced to the Members no later September 1. The Board will transition in the month of September.

ARTICLE 6 - SELF-DEALING TRANSACTIONS

Section 6.01 - Definition. Self-dealing transaction means a transaction to which the Club is a party and in which one or more of the directors ("interested directors") has a material financial interest, except that the following will not be deemed self-dealing transactions, but are subject to the general standard of care by the Board.

- 1) Compensation/Benefits. An action by the Board in fixing the compensation or benefits (e.g., waiver of Club membership fees) of a director for his or her services as a director or officer;
- 2) Public or Charitable Programs. A transaction which is part of a public or charitable program of the Club if the transaction is approved or authorized by the Club in good faith and without unjustified favoritism.
- 3) Minor Transactions Without Actual Knowledge. A transaction of which the interested director or directors have no actual knowledge, and which does not exceed the lesser of one percent (1%) of the gross receipts of the Club for a fiscal year.

Section 6.02 - Action of the Board. If a transaction is thought to be a self-dealing transaction, the interested director has the burden of showing the following to sustain the validity of the transaction:

- 1) Prior Authorization. That prior to consummating the transaction or any part thereof the Board authorized or approved the transaction in good faith by vote of a majority of the directors then in office without counting the vote of the interested director or directors and with knowledge of the material facts concerning the transaction and the director's interest in it. Except as provided in Section 6.04, action by a committee of the Board will not satisfy this requirement.
- 2) No More Advantageous Agreement. That either:
 - a) Prior to authorizing or approving the transaction, the Board considered and in good faith determined after reasonable investigation under the circumstances that the Club could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or

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- b) The Club in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.
- 3) Benefit to Club. That the Club entered into the transaction for its own benefit.
- 4) Fairness and Reasonableness. That the transaction was fair and reasonable as to the Club at the time the Club entered into the transaction.

Section 6.03 - Interested Director's Vote. In determining whether the Board has validly met to authorize or approve a self-dealing transaction, interested directors may be counted in determining the presence of a quorum, but an interested director's vote cannot count toward the required majority for such authorization, approval or ratification.

Section 6.04 - Committee Approval. A Board committee may approve a self-dealing transaction in a manner consistent with the standards prescribed for approval by the Board if it was not reasonably practical to obtain approval of the Board prior to entering into the transaction and the Board determines in good faith that the committee met the same requirements the Board would have had to meet in approving the transaction and the Board ratifies the transaction at its next meeting by vote of a majority of the directors then in office without counting the vote of the interested director or directors.

Section 6.05 - Prior Approval by the Attorney General. Remedies specified in the California Nonprofit Mutual Benefit Corporation Law for an improper self-dealing transaction are not available if the Attorney General of the State of California approves the transaction before its consummation. The Club may seek the approval of the Attorney General by application setting forth all relevant and material facts.

Section 6.06 - Persons Liable and Extent of Liability. If a self-dealing transaction has not been approved as provided above, the interested director or directors may be required to do such things and pay such damages as in the discretion of a court will provide an equitable and fair remedy to the Club, taking into account any benefit received by it and whether the interested director or directors acted in good faith and with the intent to further the best interests of the Club.

Section 6.07 - Statute of Limitations. An action to remedy an improper self-dealing transaction, brought by a proper party as defined by Section 5233(c) of the California Nonprofit Corporation Code to remedy an improper self-dealing transaction, must be commenced either:

- 1) Two Years. Within two (2) years after written notice setting forth the material facts of the transaction was filed with the Attorney General in accordance with the Attorney General's regulations; or
- 2) Three Years. If no such notice is filed, within three (3) years after the transaction occurred; or
- 3) Ten Years. If no such notice is filed, and the Attorney General is bringing the action, within ten (10) years after the transaction occurred.

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Section 6.08 - Corporate Loans and Advances. The Club shall not make any loan of money or property to or guarantee the obligation of any director or officer, unless approved by the Attorney General; provided, however, that the Club may advance money to a director or officer of the Club for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director, provided that in the absence of such advance, such director or officer would be entitled to be reimbursed for such expenses by the Club.

ARTICLE 7 OFFICERS

Section 7.01 - Officers. The officers of the Club shall be a president, vice president, secretary, and a chief financial officer (treasurer). The Club may also have, at the discretion of the Board, a chairman of the Board, a title sponsor director, additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be elected or appointed in accordance with the provisions of Section 7.03.

All officers except those elected or appointed under Section 7.03 must be directors. 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 chairman of the Board.

Section 7.02 - Election. The officers of the Club, except such officers as may be elected or appointed in accordance with the provisions of Section 7.03 or Section 7.06, shall be chosen at the annual meeting by and shall serve at the pleasure of the Board, and shall hold their respective offices for a period of one year, or if less than one year, until their resignation, removal or other disqualification from service, or until their respective successors shall be elected.

Section 7.03 - Subordinate Officers. The Board may elect, and may empower the president to appoint, such other officers as the business of the Club may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 7.04 - Removal. Any officer may be removed, either with or without cause, by the Board at any time or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Section 7.05 - Resignation. Any officer may resign at any time by giving written notice to the Board, but without prejudice to the rights, if any, of the Club under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 7.06 - Vacancies. 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 regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

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Section 7.07 - President. The president is the general manager and chief executive officer of the Club and has, subject to the control of the Board, and subject to such supervisory powers as the Board may give to the chairman of the Board, if any, general supervision, direction and control of the business and officers of the Club. The president shall preside, in the absence of the chairman of the Board, or if there is none, at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed from time to time by the Board or these Bylaws. The president shall be an ex-officio voting member of each Board committee.

Section 7.08 - Vice President. In the absence or disability of the president, the vice president shall perform all the duties of the president and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

Section 7.09 - Secretary.

1. **Book of Minutes and Seal.** The secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings, proceedings, and actions of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and Board committee meetings. The secretary shall keep, or cause to be kept, at the principal office in the State of California, the original or a copy of the Club's Articles and Bylaws, as amended to date. The secretary shall keep the seal or logo of the Club, if any, and shall affix the same on such papers and instruments as may be required in the regular course of business, but failure to affix it shall not affect the validity of any instrument.
2. **Notices and Other Duties.** The secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given, and shall distribute the minutes of meetings of the Board to all members promptly after the meetings or post such minutes on the Club's website. The secretary shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent the same are to be kept or filed by the treasurer. In general, the secretary shall have such other powers and perform such other duties as may be prescribed from time to time by the Board or these Bylaws.

Section 7.10 - Chief Financial Officer (Treasurer).

1. **Books of Account.** The chief financial officer (treasurer) of the Club shall keep and maintain or cause to be kept and maintained, adequate and correct books and accounts of the properties and business transactions of the Club, including accounts of its assets, liabilities, receipts and disbursements. The chief financial officer (treasurer) shall 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. The books of account shall at all reasonable times be open to inspection by any director. The chief financial officer (treasurer) shall also prepare or cause to be prepared an annual budget of revenues

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and expenses for the Club and present such budget to the Board for review and approval no later than the Board's annual meeting.

2. **Deposit and Disbursement of Money and Valuables.** The chief financial officer (treasurer) shall deposit all moneys and other valuables in the name and to the credit of the Club with such depositories as may be designated from time to time by the Board. The chief financial officer (treasurer) shall disburse the funds of the Club as may be ordered by the Board and shall render to the president and directors, upon request, an account of all transactions and of the financial condition of the corporation. The chief financial officer (treasurer) shall cause the books of account to be audited or reviewed each year by a certified public accountant and prepare or cause to be prepared all tax and/or informational returns that the Club may be obligated to file with state and/or federal governments. A report of such audit or review shall be presented to the Board not later than one month following the completion of the audit or review. The chief financial officer (treasurer) shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.
3. **Unbudgeted Expenditures.** Unbudgeted expenditures greater than \$1,000 require approval of the Board at a meeting of the Board. Unbudgeted expenditures for purposes of charitable contributions must be approved by the Board and voted upon at a regular meeting.
4. **Bond.** If required by the Board, the chief financial officer (treasurer) shall give the Club 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 the Club of all of its books, papers, vouchers, money, and other property of every kind in the possession of or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

Section 7.11 - Chairman of the Board. If a chairman of the Board is elected, he or she shall preside at meetings of the Board 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 the Club prescribed by these Bylaws.

Section 7.12 – Title Sponsor Director. The Title Sponsor shall have the option to appoint one director to the Board.

ARTICLE 8 - INDEMNIFICATION AND INSURANCE

Section 8.01 - Indemnification. The Club shall, to the maximum extent permitted by the California Nonprofit Mutual Benefit Corporation Law as in effect at the time of adoption of these Bylaws or as amended from time to time, and in accordance with that law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was an agent of the Club. For purposes of this section, an "agent" of the Club includes any person who is or was a director, officer, employee or other agent of the Club, or is or was serving at the request of the Club as an officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

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Section 8.02 - Insurance. The Club may purchase and maintain insurance on behalf of any agent of the Club 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 the Club would have the power to indemnify the agent against such liability under provisions of this Article, except for insurance to indemnify any agent of the Club for a violation of Section 5233 of the California Nonprofit Corporation Law (self-dealing transactions).

ARTICLE 9 - RECORDS AND REPORTS

Section 9.01 - Maintenance of Corporate Records. The Club shall keep:

- 1) Books and Records. Adequate and correct books and records of account; and
- 2) Written Minutes. Written minutes of the proceedings of its Board and committees of the Board.
- 3) Any information required by Section 9.02 of these Bylaws.
 - a) Annual Report Not Required. An annual report shall not be required to be presented to the Board if the Club receives less than Twenty-Five Thousand Dollars (\$25,000) in gross receipts during the fiscal year.

If the gross receipts of the Club exceed \$25,000, the Board shall amend these Bylaws, in accordance with Article 11, to require the preparation of an annual report to the Board.

Section 9.02 - Annual Statement of Certain Transactions and Indemnifications. The Club shall annually prepare and furnish to each director a statement of any transaction or indemnification of the following kinds within one hundred twenty (120) days after the end of the Club's fiscal year: "Interested Person" Transactions. Any transaction (1) in which the Club was a party, (2) in which an "interested person" had a direct or indirect material financial interest. For this purpose, an "interested person" is defined as any director or officer of the Club.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Club, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

The statement shall also include a list of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any officer or director of the Club under Section 8.01 of these Bylaws, unless that indemnification has already been approved by the directors under Section 5238(e)(l) of the California Corporations Code.

ARTICLE 10 - OTHER PROVISIONS

Section 10.01 - Validity of Instruments. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Club and any other person, when signed by the president or vice president and the secretary or treasurer of the Club, shall be valid and binding on the Club in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person(s) and in such manner as from time to time shall be determined by the Board and, unless so authorized by the

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Board, no officer, agent or employee shall have any power or authority to bind the Club by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 10.02 - Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Words in these Bylaws shall be read as the masculine or feminine gender and as the singular or plural, as the context requires. The captions and headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision.

Section 10.03 - Fiscal Year. The fiscal year of the corporation shall be set by the Board.

Section 10.04 - Parliamentary Authority. Robert's Rules of Order, newly revised, shall be the parliamentary authority for all matters or procedures not specifically covered by these Bylaws, or by special rules of procedure adopted by the members of the corporation entitled to vote.

Section 10.05 - Privacy Statement. The Club is the sole owner of the information collected about its membership. The Club shall not sell, share, or rent such information with any other person or entity.

Section 10.06 - Dissolution. In the event of dissolution of the Club, all remaining funds in all its accounts after all creditors have been paid, shall be paid to a non-profit organization approved by Internal Revenue Code §501(c)(3). The Board shall choose and vote upon the recipient organization of such funds.

Section 10.07 - Sponsors.

- 1) Sponsor. The term Sponsor shall mean any organization, business entity, individual, or service provider that offered services, products, discounts or rebates to the general membership of the Club.
- 2) Title Sponsor. The title sponsor of the Club is Forward Motion Sports.
- 3) Board Review. The Board shall review each sponsorship opportunity for its appropriateness for the Club and shall vote on behalf of the general membership to pursue such opportunity(ies). Voting on sponsorship issues shall be in accordance of section 4.08 of these Bylaws.
- 4) Sponsorship Agreement. Each sponsor that is approved by the Board will be required to sign a Sponsorship Agreement, which will outline the services, products, discounts or rebates the sponsor intends to or agrees provide to the Club. The agreement shall also indicate the level of sponsorship and shall clearly describe the sponsor's exposure to the general membership of the Club in the form of logo or Club clothing, web site links, etc.
- 5) Sponsorship Monies. All monies and/or products received by the Club from sponsors shall be spent or used, as the case may be, entirely to carry out the stated purpose of the Club.

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ARTICLE 11 AMENDMENTS

Section 11.01 - Bylaws. These Bylaws will be reviewed not less often than once every four (4) years and documented as to date of review. New Bylaws may be adopted or these Bylaws may be amended or repealed by majority vote of the Board, provided notice of such proposed amendment has been given to the Board at least three days in advance of the vote.

CERTIFICATE OF ADOPTION OF BYLAWS

I certify that I am the elected and acting Secretary of Forward Motion Race Club, a California Nonprofit Mutual Benefit Corporation, and that the foregoing Bylaws, comprising 15 pages, constitute the Bylaws of said Club as adopted

SELECT ONE OF THE FOLLOWING OPTIONS:

- at a meeting of the Board of Directors held on January 3, 2016
- by the incorporator of this Club on _____
- by unanimous written consent of the Board of Directors on _____
- by the members of this Club at a meeting held on _____
- by unanimous written consent of the members on _____

IN WITNESS WHEREOF, I have signed my name to this certificate on January 3, 2016

Larry Feigenbaum
Secretary