



Community Television
of Santa Cruz County

BYLAWS

**A California Nonprofit
Public Benefit Corporation**

June 2013

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Community Television of Santa Cruz County**

BYLAWS

TABLE OF CONTENTS

ARTICLE I. - NAME.....	4
Section 1.01– Name.....	4
ARTICLE II. – OFFICES OF THE CORPORATION.....	4
Section 2.01– Principal Office.....	4
Section 2.02– Other Offices.....	4
ARTICLE III. – SPECIFIC PURPOSE.....	4
Section 3.01– Specific Purposes.....	4
ARTICLE IV. – NON-MEMBERSHIP ORGANIZATION.....	5
Section 4.01– Corporation without Members.....	5
Section 4.02– Associated Persons.....	5
ARTICLE V. – BOARD OF DIRECTORS.....	5
Section 5.01– General Powers of Board of Directors.....	5
Section 5.02– Qualifications.....	5
Section 5.03– Composition of the Board.....	6
Section 5.04– Terms of Board Members.....	6
Section 5.05– Events Causing Vacancies.....	7
Section 5.06– Resignation.....	7
Section 5.07– Expectations of Directors.....	7
Section 5.08– Filing Vacancies.....	8
Section 5.09– Regular Meetings.....	8
Section 5.10– Organizational Meeting.....	8
Section 5.11– Special Meetings.....	8
Section 5.12– Quorum.....	9
Section 5.13– Majority Vote.....	9
Section 5.14– Waiver of Notice.....	9
Section 5.15– Notice of Adjourned Meeting.....	10
Section 5.16– Compensation of Directors.....	10
ARTICLE VI. – OFFICERS OF BOARD.....	10
Section 6.01– Designation and Qualification of Officers.....	10
Section 6.02– Election of Officers.....	10
Section 6.03– Resignation of Officers.....	10
Section 6.04– Removal of Officers.....	10
Section 6.05– Vacancies.....	11
Section 6.06– Terms of Office.....	11
Section 6.07– Chairperson of the Board.....	11
Section 6.08– Vice Chairperson.....	11
Section 6.09– Secretary.....	11
Section 6.10– Treasurer.....	12
ARTICLE VII. – COMMITTEES OF THE BOARD.....	12
Section 7.01– Standing Committees.....	12
Section 7.02– Duties of the Executive Committee.....	12
Section 7.03– Duties of the Finance Committee.....	13
Section 7.04– Duties of the Governance Committee.....	13
Section 7.05– Duties of the Personnel Committee.....	13

Section 7.06– Minutes of Standing Committees.....	14
Section 7.07– Other Standing Committees.....	14
Section 7.08– Advisory Committees.....	14
ARTICLE VIII. – EXECUTIVE DIRECTOR.....	14
ARTICLE IX. – CONFLICT OF INTEREST AND DISCLOSURE.....	14
Section 9.01– Purpose.....	14
Section 9.02– Definitions.....	15
Section 9.03– Duty to Disclose.....	15
Section 9.04– Determination of Existence of Conflict.....	15
Section 9.05– Compensation.....	16
Section 9.06– Special Consideration Prohibited.....	16
Section 9.07– Required Recordkeeping.....	16
Section 9.08– Enforcement of Policy.....	17
Section 9.09– Violations of Policy.....	17
Section 9.10– Corporate Oversight of Policy.....	17
ARTICLE X. – INDEMNIFICATION.....	18
Section 10.01– Indemnification of Officers.....	18
Section 10.02– Exemption of Property.....	18
Section 10.03– Insurance.....	18
ARTICLE XI. – RECORDS AND REPORTS.....	18
Section 11.01– Required Records.....	18
Section 11.02– Right to Inspect Records.....	18
Section 11.03– Annual Report.....	19
Section 11.04– Audit.....	19
ARTICLE XII. – MISCELLANEOUS.....	19
Section 12.01– Non-Discrimination.....	19
Section 12.02– Meetings of CTV.....	19
Section 12.03– Electronic Transmission.....	20
Section 12.04– General Provisions.....	20
Section 12.05– Amendments.....	20
ARTICLE XIII. – DISSOLUTION.....	20
Section 13.01– Corporate Dissolution.....	20

ARTICLE I. - NAME

Section 1.01– Name

The name of this Corporation is Community Television of Santa Cruz County, Inc., also known as “Community Television,” designated herein as “CTV.”

ARTICLE II. – OFFICES OF THE CORPORATION

Section 2.01– Principal Office

The principal office for the transaction of the activities and affairs of the Corporation (principal office) is located at 816 Pacific Avenue, Santa Cruz, CA 95060, in Santa Cruz County, California. The Board of Directors (Board) may change the principal office from one location to another within the County of Santa Cruz. Any change of location of the principal office shall be noted by the Secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

Section 2.02– Other Offices

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

ARTICLE III. – SPECIFIC PURPOSE

Section 3.01– Specific Purposes

CTV is organized for the following purposes: (1) Making available communication, production, and distribution facilities for primary use by residents and community organizations of Santa Cruz County for public, educational, and governmental purposes; (2) Organizing, managing, promoting, and facilitating the use of the aforesaid facilities for communication by cable or any other communications methods; (3) Producing, developing, and obtaining programming from diverse sources for distribution; (4) Entering into agreements with the Cities of Santa Cruz, Capitola, and Watsonville and the County of Santa Cruz for the management and use of cable television facilities provided by franchises or other agreements between the Cities of Santa Cruz, Capitola, or Watsonville or the County and providers of television services; and (5) Exercising all the powers of a California nonprofit corporation.

ARTICLE IV. – NON-MEMBERSHIP ORGANIZATION

Section 4.01– Corporation without Members

Notwithstanding any other provision in these bylaws, the corporation shall have no members within the meaning of Corporations Code Section 5056(a), all actions that would otherwise require membership approval shall require only the approval of the board of directors, and all rights that would otherwise vest in members are vested in the directors.

Section 4.02– Associated Persons

Notwithstanding the provisions of Section 4.01, and pursuant to Corporations Code Section 5332, nothing in these bylaws shall be construed as limiting the right of the corporation to refer to persons or organizations associated with it as members even though such persons are not members for purposes of Section 5056, and no such reference shall create membership voting rights within the meaning of Section 5056. The board may create categories of any such associated persons based upon financial or other contributions to the corporation.

ARTICLE V. – BOARD OF DIRECTORS

Section 5.01– General Powers of Board of Directors

- a) Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws, CTV's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.
- b) Without limitation, the Board may: Adopt and use a corporate seal; prescribe the forms of membership certificates; alter the forms of the seal and certificates; borrow money and incur indebtedness on behalf of CTV and cause to be executed and delivered for CTV's purposes, in the Corporate Name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

Section 5.02– Qualifications

- a) All members of the Board must be at least 18 years of age and in good standing of CTV at the date of appointment.
- b) The Board of Directors shall not include as voting members any elected official of the Cities of Santa Cruz, Capitola, or Watsonville or the County of Santa Cruz.

Section 5.03– Composition of the Board

- a) The Board of Directors shall consist of eleven (11) Directors.
- b) The Board shall appoint seven (7) Directors. The Board-appointed Directors shall be selected so that one (1) Director will work in and represent the interests of the educational community from K-12, one (1) Director will work in and represent the interests of the College/University educational community, and five (5) Directors shall be appointed at large.
- c) The Cities of Santa Cruz, Capitola, and Watsonville and the County of Santa Cruz shall each appoint one (1) Director.
- d) Appointments to the Board shall be made at least one (1) month but not more than four (4) months prior to each November board meeting. The new or re-appointed Directors shall take their seats upon the Board at that annual November Meeting.

Section 5.04– Terms of Board Members

- a) All Directors shall serve terms of four (4) years, provided that no Director shall serve more than two (2) consecutive full four (4)-year terms. A “year” shall be that period of time between the annual November organizational meetings, not including the date of the earlier meeting, but including the date of the later meeting, without regard to whether a full calendar year has passed between such meetings. In the event that a Director is appointed to complete the term of a Director who has failed to complete his or her term, only a period of half or more of a full term, measured by the number of days in the calendar year, shall be considered to be a full term for purposes of computing the replacement Director’s permissible term of office, and a period of less than that amount shall not be counted.
- b) The terms of the appointed Directors shall be staggered so that two (2) Directors are appointed each year, except that one (1) Director shall be appointed every fourth year.
- c) The term of each Director shall end at the November meeting nearest the end of his or her term, but not before a successor is duly appointed.
- d) The following special rule shall apply in order to achieve the staggering provisions of subsection (b) hereof: If the seat of a Director falls vacant before the end of the Director’s term, the Board shall in its discretion specify the term of the Director appointed to fill the vacancy as four (4) years or some lesser period, so that the term will end on a date which complies with subsection (b) hereof. If the term is less than two (2) years, the term shall not be counted for purposes of determining the number of remaining terms available to that Director, pursuant to subsection (a).

Section 5.05– Events Causing Vacancies

A vacancy or vacancies on the Board shall exist on the occurrence of the following: (1) the death or resignation of any Director; (2) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of Court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (3) the increase of the authorized number of Directors.

Section 5.06– Resignation

- a) Any Director may resign by giving written notice to the Chairperson of the Board or the Secretary of the Board. The resignation shall be effective 72 hours after it is given, unless it is revoked prior to the end of that 72-hour period. A successor may be chosen to take office as of the date when the resignation becomes effective, by that authority designated in Section 5.03. Except on notice to the Attorney General of California, **no Director may resign if CTV would be left without a duly elected Director or Directors.**
- b) A violation by any Director of any of the terms set forth in the Section 5.07 hereof, entitled “Expectations of Board Members,” shall be deemed a voluntary resignation from office, effective upon the vote of two-thirds of the directors then in office. Exceptions may be granted by motion of the Board.

Section 5.07– Expectations of Directors

Directors of CTV shall do the following:

- a) Regularly attend board meetings, committee meetings and functions such as special events. If a board member misses more than fifty percent of board meetings in a calendar year, such action shall be deemed a voluntary resignation from office.
- b) Stay informed about CTV in order to be an advocate for the organization. Review organizational and programmatic reports. Prepare well for meetings and review all materials in advance.
- c) Work assignments and supervision of staff are under the purview of the Executive Director, so it is important to understand and respect Board/staff relations. While it is appropriate for Board members to interact and communicate with staff, Board members shall refrain from making special requests of staff.
- d) Maintain confidentiality regarding personnel matters and closed session meetings.
- e) Comply with the terms of Article IX of the bylaws regarding conflict of interest and disclosure. Execute annual conflict of interest statement.

- f) Demonstrate appropriate conduct. Do not engage in any behavior that would have a direct and/or substantial adverse effect on CTV. Act with integrity in dealings with other Board members and staff.
- g) Assist the Board in carrying out its fiduciary responsibilities. Participate in the financial management of the organization, including adoption and oversight of the annual budget.
- h) Participate in fundraising and outreach. Learn to cultivate and solicit funds. Provide an annual gift in an amount that is meaningful to you. Granting agencies expect all Board members to contribute to the organization.
- i) Evaluate executive director and board annually. Develop tools to measure success. Show serious commitment to the functioning of the Board.

Section 5.08– Filing Vacancies

Except for vacancies in appointments of the Cities of Santa Cruz, Capitola, and Watsonville and the County of Santa Cruz, 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 Director(s) so appointed shall serve the remaining term of the vacant seat. 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 5.09– Regular Meetings

Meetings of the Board shall be held at least quarterly at any place within Santa Cruz County 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 CTV. Any change in the time or place of Regular Meetings shall be noticed at least seven (7) days in advance to persons entitled to written request for notice of such meeting.

Section 5.10– Organizational Meeting

The board meeting in November of each year shall be an organizational meeting for purposes of organization, election of officers, and transaction of other business. This meeting shall be noticed and conducted as a Regular Meeting.

Section 5.11– Special Meetings

- a) Special Meetings of the Board for any purpose may be called at any time by the Chairperson of the Board or the Secretary or any two Directors of the Board.
- b) At least (24) hours prior to each Special Meeting, an agenda for the Special Meeting shall be mailed or delivered to each Board Member, mailed to or deposited in press boxes for each representative of the news media, and mailed

to persons who have submitted a written request for notice of meeting; and shall be posted at least twenty-four (24) hours prior to the Special Meeting at a location that is freely accessible to members of the public. No business other than that listed on the agenda shall be considered at a Special Meeting.

Section 5.12– Quorum

A majority of active and existing directors authorized in these Bylaws, whether or not all authorized Board positions have been filled, constitutes a quorum of the Board for the transaction of business, except to adjourn. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 5.13– Majority Vote

Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (1) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (2) approval of certain transactions between corporations having common Directorships, (3) creation of and appointments to Committees of the Board, and (4) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, provided any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 5.14– Waiver of Notice

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

Section 5.15– Notice of Adjourned Meeting

The Board of Directors may adjourn a Regular or a Special Meeting to another time and place as specified in a Notice of Adjournment. Less than a quorum of Directors may adjourn the meeting. If all members of the Board of Directors are absent, the Clerk may adjourn the meeting. Within twenty-four (24) hours after such adjournment, a copy of the Notice of Adjournment must be posted on or near the door of the room where the meeting took place.

Section 5.16– Compensation of Directors

Directors shall serve without compensation. However, the Board may authorize the advance or reimbursement of actual reasonable expenses incurred by a director or member of a committee in carrying out his or her duties.

ARTICLE VI. – OFFICERS OF BOARD

Section 6.01– Designation and Qualification of Officers

The officers of CTV shall all be members of the Board of Directors and shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer who shall be Chief Financial Officer.

Section 6.02– Election of Officers

The officers of CTV shall be chosen annually by the Board and shall serve at the pleasure of the Board.

Section 6.03– Resignation of Officers

Any officer may resign at any time by giving written notice to CTV. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of CTV under any contract to which the officer is a party.

Section 6.04– Removal of Officers

Any officer may be removed by ordinary resolution of the Board when, in its judgment, the best interests of CTV shall be served thereby. Removal of an officer shall be without any prejudice to any contractual rights, which he or she may have with respect to CTV. Removing a director as an officer does not, in itself, cause that person to be removed as a director.

Section 6.05– Vacancies

A vacancy in any office shall be filled in the manner prescribed in these Bylaws for filling an unexpired term.

Section 6.06– Terms of Office

The terms of office for the officers of CTV shall commence with the organizational meeting of the Board in November and shall conclude at the organizational meeting of the Board the next November.

Section 6.07– Chairperson of the Board

The Chairperson of the Board 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.

Section 6.08– Vice Chairperson

If the Chairperson is absent or disabled, the Vice Chairperson shall perform all duties of the Chairperson. When so acting, the Vice Chairperson shall have all powers of and be subject to all restrictions on the Chairperson. The Vice Chairperson shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 6.09– Secretary

- a) The Secretary shall keep or cause to be kept, at CTV'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. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was regular, special or organizational; and, if special, how authorized, the notice given, and the names of those present at Board and Committee meetings. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.
- b) The Secretary shall give, or cause to be given, notice of all meetings of the Board and of Committees of the Board required by these bylaws to be given. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 6.10– Treasurer

- a) The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of CTV's properties and transactions. The 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 be open to inspection by any Director at all reasonable times.
- b) The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of CTV's funds as the Board may order, shall render to the Executive Director or Chairperson of the Board, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of CTV, and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.
- c) If required by the Board, the Treasurer shall give CTV 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 CTV 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.

ARTICLE VII. – COMMITTEES OF THE BOARD

Section 7.01– Standing Committees

The Board shall establish Standing Committees, including an Executive Committee, a Finance Committee, a Governance Committee, and a Personnel Committee. All seated members of the Board are members of the Executive Committee. Executive Committee meetings shall be adjourned whenever the number of members present equals or exceeds the number required for a quorum of the Board. Three (3) members of the Executive Committee shall constitute a quorum. The Governance, Finance, and Personnel Committees shall consist of at least three (3) Board members and shall be appointed from among the members of the Board. No person who is not a member of the Board may serve on a Standing Committee having Board powers. The Chairperson of the Board shall be a member of all Standing Committees.

Section 7.02– Duties of the Executive Committee

The Executive Committee shall have the power to act as the Board of Directors in between Board meetings except that the Executive Committee notwithstanding any Board resolution shall not: (1) fill vacancies on the Board or on any committee that has the authority of the Board; (2) amend or repeal Bylaws or adopt new Bylaws; (3) amend or repeal any resolution of the Board that by its express terms is not amendable or repealable;

(4) create any other Committee of the Board or appoint the members of Committees of the Board; (5) expend corporate funds to support a nominee for Director; or (6) approve any contract or transaction to which CTV is a party and in which one or more of its Directors has a material financial interest.

Section 7.03– Duties of the Finance Committee

The Finance Committee shall review the Annual Financial Statement, approve annual audit reports, and recommend to the Board the selection of and fees to be paid to an independent Certified Public Accountant for CTV. It shall be the responsibility of the Finance Committee to report to the Board of Directors whether the CTV is meeting its projected budget, on the scope and adequacy of the annual audits and related fees, to continually monitor and report to the Board of Directors on the effectiveness and adequacy of CTV's internal accounting controls, and include in that report its findings as to whether or not any errors, omissions, criticisms, or recommendations contained in the management letter of the independent Certified Public Accountant, if one accompanies the annual audits, have been properly dealt with. The Finance Committee shall have such other duties as may be delegated to it by the Board from time to time.

Section 7.04– Duties of the Governance Committee

The Governance Committee shall carry out its duties in accordance with these bylaws, and shall carry out such other duties as may be required by the Board from time to time, including continuous review of the bylaws, evaluation and solicitation of candidates for Board membership, and nomination of candidates to the Board, and the Cities and County which have the power to appoint Board members.

Section 7.05– Duties of the Personnel Committee

The duties of the Personnel Committee are: (1) to consider and make recommendations to the Board of Directors regarding additions, revisions, and amendments to the CTV Personnel Manual; (2) to consider and make recommendations to the Board of Directors on the adoption of position specifications, salaries, and wages, including annual cost of living adjustments; the Personnel Committee shall review all salaries and wages annually, making a recommendation for adjustment to the Board of Directors no later than May of each year, in conjunction with preparation of the next fiscal year budget; (3) to hear grievances and appeals by CTV employees as described in the Personnel Manual; (4) to review and make recommendations to the Board of Directors regarding employee promotions or reclassification requests; and (5) to establish and follow an annual performance review process for the position of the Executive Director.

Section 7.06– Minutes of Standing Committees

The minutes or a report of each Standing Committee shall be submitted to the Board no later than the Board's next Regular Meeting.

Section 7.07– Other Standing Committees

The Board has established a Rules Committee and an Appeals Board and may establish other Standing Committees from time to time and these committees shall have such duties as may be conferred on them by the Board. Appointees must be members of the Board. Minutes or a report of all such committees shall be submitted to the Board.

Section 7.08– Advisory Committees

The Board may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors or non-directors, except that the number of directors on any such committee must be less than a quorum of the Board. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the corporation, but shall be limited to making recommendations to the Board or the Board's authorized representatives and to implementing Board decisions and policies. Advisory Committees shall be subject to the supervision and control of the Board.

ARTICLE VIII. – EXECUTIVE DIRECTOR

- a) The Corporation also may have, at the discretion of the Board, an Executive Director, who is not a director as described in these Bylaws.

ARTICLE IX. – CONFLICT OF INTEREST AND DISCLOSURE

Section 9.01– Purpose

The purpose of the Conflict of Interest Policy is to protect the interest of Community Television of Santa Cruz County ("CTV") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, member of a committee with board-delegated powers or employee of CTV. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations. This Policy is based upon the principle that service on the board of CTV is purely voluntary and shall not be used as a means for private benefit or inurement, and further, that no director, officer, member of a committee with board-delegated powers or employee who is a vendor of goods or services to CTV shall vote on, participate on behalf of CTV in the administration of, any contract with such vendor.

Section 9.02– Definitions

- a) An “interested person” is any director, officer, member of a committee with board-delegated powers or employee who has a direct or indirect financial interest, as defined below.
- b) A person has a “financial interest” if the person has, directly or indirectly, through business, investment, or family, and has: (i) an ownership or investment interest in any entity with which CTV has a transaction or arrangement; (ii) a compensation arrangement with CTV or with any entity or individual with which CTV has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CTV is negotiating a transaction or arrangement.
- c) “Compensation” includes compensation from direct and indirect remuneration as well as gifts or favors whether or not they are substantial in nature.

Section 9.03– Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and all material facts relating to such interest to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

Section 9.04– Determination of Existence of Conflict

After disclosure of the financial interest and all material facts, the following procedures shall apply:

- a) The interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of and the vote on the transaction or arrangement that results in the conflict of interest.
- b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the board or committee shall determine whether CTV can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

- d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of CTV and for its own benefit and whether it is fair and reasonable to CTV and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

Section 9.05– Compensation

- a) A voting member of the board of directors who receives compensation, directly or indirectly, from CTV for services or materials is precluded from voting on matters pertaining to that member's compensation.
- b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CTV for services is precluded from voting on matters pertaining to that member's compensation.

Section 9.06– Special Consideration Prohibited

No individual or entity with which a director, officer, member of a committee with board-delegated powers or employee of CTV is affiliated shall receive any special consideration by the board or staff. There shall be no variation in the procedures for processing contracts with such affiliated entities or individuals, except that additional scrutiny may be applied, and CTV shall follow such procedures as are necessary or appropriate to ensure that the transaction does not constitute an “excess benefit transaction” under the Internal Revenue Code.

Section 9.07– Required Recordkeeping

The minutes of the board and all committees with board-delegated powers shall contain: (1) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed; and (2) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Section 9.08– Enforcement of Policy

Each director, officer, member of a committee with board delegated powers and employee shall annually complete a financial interest questionnaire and sign a statement which affirms that such person: (1) has received a copy of the conflicts of interest policy; (2) has read and understands the policy; (3) has agreed to comply with the policy, and (4) understands that CTV is charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. However, the duty to disclose requires that such disclosure shall occur immediately upon the occurrence of an event or transaction described in section 3, above, and not delayed until completion of the annual questionnaire and statement. The questionnaire shall be in a form approved by the board of directors and amended from time to time as circumstances require.

Section 9.09– Violations of Policy

- a) If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, which may include the removal of a director or officer from her or his office, or the termination of an employee.

Section 9.10– Corporate Oversight of Policy

To ensure that CTV operates in a manner consistent with charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following inquiries: (1) whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arms-length bargaining, (2) whether partnerships, joint ventures arrangements, and arrangements with management service organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further CTV's charitable purposes and do not result in inurement or impermissible private benefit. In conducting the periodic reviews as provided for herein, CTV may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE X. – INDEMNIFICATION

Section 10.01– Indemnification of Officers

Any member of the Board of Directors and any officer of CTV, as a condition of accepting said office, shall be indemnified by CTV against expenses actually and necessarily incurred by him or her, any judgments or financial penalties and payment and/or reimbursement of any insurance deductibles and/or co-payments, in connection with the defense of any action, suit, or proceedings in which he or she is made a party by reason of being, or having been, a member of the Board of Directors or an officer of CTV, except for: breach of the duty of loyalty to the corporation, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. Such indemnification shall be subject to the obligation of the Member to give timely notice to CTV and allow CTV the option of providing any defense on behalf of the Member. Such right of indemnification is not to be deemed exclusive of any right to which he or she may be entitled under the laws of the State of California, these Bylaws, agreements, or otherwise.

Section 10.02– Exemption of Property

The private property of the Board of Directors of CTV shall not be liable for corporate debts to any extent whatsoever. This Section 10.02 of these Bylaws shall not be amended except by the unanimous vote of the Board of Directors.

Section 10.03– Insurance

CTV 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, against any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising out of the officer's, Director's, employee's, or agent's status as such.

ARTICLE XI. – RECORDS AND REPORTS

Section 11.01– Required Records

CTV shall keep: (1) adequate and correct books and records of account and (2) written minutes of the proceedings of the Board and Committees of the Board.

Section 11.02– Right to Inspect Records

- a) CTV shall keep at its principal business office the original or a copy of the Articles of Incorporation amended to date, which shall be open to inspection at all reasonable times during office hours.

- b) Every Director shall have the absolute right at any reasonable time to inspect CTV's books, records, documents' of every kind, physical properties and the records of each of its subsidiaries. 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.

Section 11.03– Annual Report

The fiscal year of CTV shall be July 1 to June 30. An Annual Report regarding CTV's fiscal and operational activities shall be prepared and distributed at least thirty (30) days prior to the Annual Meeting, as required by the California Corporation Code for Nonprofit Public Benefit Corporations. A copy of such report shall be on file at CTV's principal office and shall be available for inspection.

Section 11.04– Audit

CTV shall contract for an audit of its records with a Certified Public Accountant on an annual basis.

ARTICLE XII. – MISCELLANEOUS

Section 12.01– Non-Discrimination

CTV shall ensure that no individual is discriminated against regarding services, access to information or any activity of CTV on any ground applicable to CTV which is enumerated in federal, state or local law, or in its agreements with any public entity regarding the same, and shall promote access to the Cable Television System for those who have historically been underserved. This Section 12.01 does not guarantee a right in any person or organization to have any program distributed over the channels governed by CTV.

Section 12.02– Meetings of CTV

All meetings of CTV, its Board of Directors, and all committees established by the Board of Directors, except non-standing committees consisting of Directors numbering less than a quorum of the Board of Directors, shall, when applicable, comply with the notice and “open meeting” (Brown Act) provisions of the California Government Code Section 54950 et seq., whenever the Board of Directors is deemed to be a “legislative body” as defined in Section 54952. All meetings of CTV, the Board of Directors, and all committees shall be held following Robert's Rules of Order, providing that failure to observe Robert's Rules of Order shall not invalidate any action taken.

Section 12.03– Electronic Transmission

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 e-mail, provided that: (1) for electronic transmissions from the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (2) for electronic transmissions to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (3) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form. Such electronic transmissions may not be used exclusively when the Brown Act requires otherwise, but they may be used in addition to any requirements of the Brown Act.

Section 12.04– General Provisions

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.

Section 12.05– Amendments

The Board may adopt, amend or repeal the bylaws.

ARTICLE XIII. – DISSOLUTION

Section 13.01– Corporate Dissolution

Upon the dissolution of CTV, the governing body shall, after paying or making provision for the payment of all of the liabilities of CTV, dispose of all of the assets of CTV exclusively for the purposes of CTV in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), as the governing Board shall determine.

CERTIFICATE OF ADOPTION OF BYLAWS

This is to certify that the foregoing is a true and correct copy of the Bylaws of COMMUNITY TELEVISION OF SANTA CRUZ COUNTY, INC., a California Nonprofit Public Benefit Corporation, and that such Bylaws were duly adopted by the Board of Directors on June 27, 2013.

DATED: _____, 2013

Secretary