

**BYLAWS
OF
THE SAN JACINTO RIVER WATERSHED COUNCIL
CALIFORNIA PUBLIC BENEFIT CORPORATION**

**ARTICLE 1
NAME**

SECTION 1.01 NAME

The name of this corporation is The San Jacinto River Watershed Council (hereinafter referred to as the "Corporation.")

**ARTICLE 2
OFFICES OF THE CORPORATION**

SECTION 2.01. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of the activities, affairs and business shall be 2160 Santa Anita Rd., Norco, CA 92860. The board of directors may, however, fix and change from time to time the principal office from one location to another within the County of Riverside by noting the change of address in the minutes of the meeting of the board of directors at which the address was fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws:

_____	Dated: _____
_____	Dated: _____
_____	Dated: _____
_____	Dated: _____

SECTION 2.02 OTHER OFFICES

The corporation may also have offices at such other places, within or without the County of Riverside and the State of California, as its business may require and as the board of directors may, from time to time, designate.

**ARTICLE 3
PURPOSES and LIMITATIONS**

SECTION 3.01. PURPOSE AND OBJECTIVES

The corporation is a nonprofit public benefit corporation organized under the Non-Profit Public Benefit Corporation Law. The purpose of the Corporation is to engage in any lawful act or activity for which the corporation may be organized under such law.

The primary purpose, goals and objectives of this corporation shall be:

To ensure that the current and potential uses of the San Jacinto River Watershed's resources are sustained, restored, and where possible, enhanced, while promoting the long-term social and economic vitality of the region.

The goals of the San Jacinto River Watershed Council are to:

- Promote a stewardship approach to collaborative, holistic watershed management.
- Ensure that the interests represented in the development of policies, programs and activities of the San Jacinto River Watershed Program reflect the diversity of interests represented by all stakeholders of the watershed.
- Provide sound information to support decisions and actions of watershed stakeholders, which will promote the long-term social and economic vitality of the region.
- Provide and support an effective process that supports locally led and community based environmental management that meet state and federal regulatory requirements in locally appropriate ways.
- Assist in the development, implementation and monitoring of effective and sustainable processes to improve watershed quality and protect beneficial uses of water to meet the interests of all stakeholders in the San Jacinto Watershed.
- Facilitate the exchange of watershed information to the stakeholders and community through various means.
- Influence water policy.

The San Jacinto River Watershed Council provides a forum to give regional expression to a series of local efforts while supporting and preserving the integrity of the local efforts. The Council is established to provide a network for building a basin wide context to conserve watershed health. It operates through consensus-based collaboration, partnerships, coordination of research and monitoring, and enhancing mutual education among the stakeholders of the San Jacinto River.

Policy direction for the Council comes from the stakeholders of the basin. The Council functions through consensus based Working Committees whose membership is open to anyone with interest, and through regular general stakeholder meetings held throughout the watershed.

ARTICLE 4 BOARD OF DIRECTORS

SECTION 4.01. NUMBER

The corporation shall have nine (9) directors and collectively they shall be known as the Board of Directors. The number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws.

SECTION 4.02. POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may adopt, from time-to-time, such rules and regulations for the conduct of its affairs as may be required.

SECTION 4.03. DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation;
- (c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these Bylaws;
- (e) Register their addresses with the Secretary of the corporation. Notices of meetings mailed or emailed to them at such addresses shall be valid notice thereof.
- (f) Develop and implement policies and procedures, in accordance with the terms of these Bylaws, necessary to ensure that the Board of Directors adequately represents the diversity of the interests of the San Jacinto River Watershed stakeholders.

SECTION 4.04. QUALIFICATIONS OF DIRECTORS

The original Board of Directors shall consist of nine (9) members. This is a guideline and may be changed as deemed necessary by the Board of Directors. To insure a broadly based Board, that represents all stakeholders' interests within the watershed, Directors shall be selected from the following general categories.

- Environmental Organizations/Community Groups
- Federal/State/Regional
- County/Local Government
- Water/ Wastewater Agencies
- Land Owners/Agricultural
- Dairy

- Tribal
- (2) At-Large members

It is the intent of this Watershed Council to have active stakeholder communications and dialogue and that a consensus-based forum will provide the foundation of the Council. However, the Board of Directors will deal with administrative, financial and other issues that will be represented by a small representative group of individuals.

Consensus is the agreement with a decision or course of action because one can agree with it, accept it, or is willing to agree provided the decision is monitored and reassessed after being implemented. It is not intended as equivalent to unanimous approval.

Each member of the Board shall be required:

- To help secure funding for the organization.
- To attend two-thirds (2/3) of the regularly scheduled meetings of the Board of Directors during any 12-month period. Any non-attending member will be removed.
- To participate in the activities and affairs of the organization.
- To designate an alternate Board member to serve on his/her behalf at the meetings where they are unable to attend. The alternate Board Members shall have all voting rights and privileges of said primary Board member.

SECTION 4.05. TERMS OF OFFICE

Each director shall hold office for a period of three (3) years, except for the following:

- Two (3) of the first members of the Board of Directors selected at the first annual meeting for election of the Board of Directors as specified in these Bylaws will serve a first term of one (1) year. All subsequent terms for those directors will be for three years from the date of selection.
- Two (3) of the first members of the Board of Directors selected at the first annual meeting for election of the Board of Directors as specified in these Bylaws will serve a first term of two (2) years. All subsequent terms for those directors will be for three years from the date of selection.
- Three (3) of the first members of the Board of Directors selected at the first annual meeting for election of the Board of Directors as specified in these Bylaws will serve a first term of three (3) years. All subsequent terms for those directors will be for three years from the date of selection.

The terms of office shall be determined by mutual agreement of those elected.

SECTION 4.06. COMPENSATION

Directors shall serve without compensation except that they shall be allowed and paid a reasonable advancement or reimbursement of expenses incurred in the performance of their

regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Section 7 of this Article.

SECTION 4.07. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, "interested persons" means either:

- (a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or
- (b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

An officer of the corporation who is otherwise eligible may serve as a Director of the Board only with the unanimous consent of the Board of Directors at the time of the election. Such consent shall apply only to the immediate term, and must be reconfirmed or denied at each appropriate annual meeting election of Directors for that Director's term of office. All other terms of eligibility and election in these Bylaws must also be met.

SECTION 4.08. PLACE OF MEETINGS

Meetings shall be held at various locations within the Santa Ana Watershed as designated by the Board of Directors. Any meeting not held at the principal office of the corporation shall be valid only if held on the written consent of all directors given either before or after the meeting and filed with the Secretary of the corporation or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the board.

Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply:

- a). Each director participating in the meeting can communicate with all of the other directors concurrently;
- b) Each director is provide the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation;
- c) The corporation adopts and implements some means of verifying 1) that all persons participating in the meeting are directors of the corporation or are otherwise entitled to participate in the meeting, and 2) that all actions of, or votes by, the Board are taken and cast only by directors and not by persons who are not directors.

SECTION 4.09. REGULAR AND ANNUAL MEETINGS

- a) Place of Meetings. Meetings of the Board shall be held at any place within the Santa Ana Watershed 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 the Corporation.
- b) Meetings by Telephone. Any meeting may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present at such a meeting.
- c) Annual Meeting. A meeting shall be held annually in either October or November, on a day and time fixed by the Board from time to time. The board of Directors may designate any place within the Santa Ana Watershed as the place of meeting for any annual meeting. This meeting shall be for purposes of appointing directors and alternate directors of officers, and the transaction of other business. Notice of this meeting is not required.

At the annual meeting of Directors and members, there shall occur a discussion of candidates in a plenary session of stakeholders without restriction to participation. From these discussions, the stakeholders shall provide a recommended slate of Director nominees for consideration. The Board of Directors is obligated to elect only those nominated during the plenary session except for the following:

- i) If the number of nominees forwarded from the plenary session exceeds the number of vacancies on the Board of Directors, the directors shall elect from among the nominees a sufficient number to fill all vacancies at that time. And;
- ii) If the Board of Directors determines after the discussion that one or more of the nominees are ineligible to serve owing to the provisions of state or federal law, or to provisions in these By-laws, such nominees shall be removed from consideration. If such removal results in an insufficient number of nominees to fill all vacancies, the Board of Directors may select through consensus nomination and election such additional nominees as may be required to fill all vacancies.

SECTION 4.10. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chairperson of the board, the President, the Vice President, the Secretary, or by any two directors, and such meetings shall be held at the place, within the Santa Ana Watershed, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation. All special meetings will be noticed and conform to the Ralph M. Brown Act.

SECTION 4.11. NOTICE OF MEETINGS

Special meetings of the board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone or email. If sent by mail or email, the

notice shall be deemed to be delivered on its deposit in the mails or on its delivery to the email provider. Such notices shall be addressed to each director at his or her address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting. All meetings will be noticed and conform to the Ralph M. Brown Act.

SECTION 4.12. CONTENTS OF NOTICE

Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any Board meeting need not be specified in the notice.

SECTION 4.13. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 4.14. QUORUM FOR MEETINGS

A quorum shall consist of four (4) Directors.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the directors present at such meeting may adjourn until the time fixed for the next regular meeting of the Board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 10 of this Article.

The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

SECTION 4.15. MAJORITY ACTION AS BOARD ACTION

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 of Directors, unless the Articles of Incorporation or Bylaws of this corporation, or provisions of the California Nonprofit Public Benefit

Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233) and indemnification of directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the board.

Each director, or on the Director's absence, the alternate, shall have one vote. Except as otherwise provided herein, all actions of the Board shall be passed upon the affirmative vote of a majority of the Board of Directors.

SECTION 4.16. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, by the Vice-President, Secretary or Treasurer of the corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the directors present at the meeting. The Secretary of the corporation shall act as Secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting

The basics of these requirements, as well as standard procedures, for parliamentary proceedings are based upon *Robert's Rules of Order*.

SECTION 4.17. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of this corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

SECTION 4.18. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director, and (2) whenever the number of authorized directors is increased.

The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

If this corporation has any members, then, if the corporation has less than fifty (50) members, directors may be removed without cause by a majority of all members, or, if the corporation has fifty (50) or more members, by vote of a majority of the votes represented at a membership meeting at which a quorum is present.

Any director may resign effective upon giving written notice to the Chairperson of the Board, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Attorney General.

Vacancies on the board may be filled by approval of the Board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole remaining director. If this corporation has members, however, vacancies created by the removal of a director may be filled only by the approval of the members. The members, if any, of this corporation may elect a director at any time to fill any vacancy not filled by the directors.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board of Directors or until his or her death, resignation or removal from office.

SECTION 4.19. NON-LIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 4.20. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

To the extent that a person who is, or was, a director, officer, employee or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

SECTION 4.21. INSURANCE FOR CORPORATE AGENTS

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 5 OFFICERS

SECTION 5.1. NUMBER OF OFFICERS

The officers of the corporation shall consist of a President, Vice-President, Secretary, and a Chief Financial Officer who shall be designated the Treasurer. The Chairperson of the Board shall act as President of the corporation. The same person may hold any number of offices except that neither the Secretary nor the Treasurer may serve concurrently as the President/Chairperson of the Board.

SECTION 5.2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

The Officers of the organization shall be chosen from the currently active Board of Directors membership by a majority vote of the Board of Directors. The new Board of Directors is elected at the annual meeting. The officers shall be chosen subsequent to the election of the new Board members. Said officers shall take office and hold office until they complete a term, shall resign or shall be removed or otherwise disqualified to serve, or their successor shall be elected and qualified, whichever occurs first.

SECTION 5.3. SUBORDINATE OFFICERS

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

SECTION 5.4. REMOVAL AND RESIGNATION

The Board of Directors may remove any officer, either with or without cause, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract that has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

SECTION 5.5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled, as the board shall determine.

SECTION 5.6. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such

other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. He or she shall preside at all meetings of the Board of Directors. If applicable, the President shall preside at all meetings of the members. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

SECTION 5.7. DUTIES OF VICE PRESIDENT

In the absence of the President, or in the event of his or her inability or refusal to act, 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 on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

SECTION 5.8. DUTIES OF SECRETARY

The Secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy of these Bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or these Bylaws.

Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 5.9. DUTIES OF TREASURER

Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore.

Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 5.10. COMPENSATION

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation, provided, however, that such compensation paid a director for serving as an officer of this corporation shall only be allowed if permitted under the provisions of Article 4, Section 6 of these Bylaws. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered for the corporation which relate to the performance of the charitable or public purposes of this corporation.

SECTION 5.11 INDEMNIFICATION and INSURANCE

- (a) A person who is or was a Director, officer, employee or other agent of this organization who has been made party to or defendant in any civil, criminal, administrative or investigative proceeding brought to procure a judgement against the organization, or against such person by reason of the fact that that person is or was an agent of the organization, shall be entitled to have paid on that person's behalf all reasonable fees paid or incurred in the defense of such action or be indemnified against expenses paid or incurred by the person in connection with such proceeding, where such person was acting in good faith for the benefit of the organization.

- (b) If such person either settles any such claim or sustains judgement against him or her, the indemnification against such expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with, the requirements of the California Nonprofit Corporation Law.
- (c) This does not apply to any proceeding against any trustee, investment manager, fiduciary or any trust fund of the organization, or any person acting on behalf of the organization without written consent of the organization, in that persons capacity as such, even though that person may also be an agent of the organization as defined in section 11(a).
- (d) The Board of Directors may adopt resolutions authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agents status as such, whether or not this organization would have the power to indemnify the agent against the liability under the provisions of this Article.

ARTICLE 6 COMMITTEES

SECTION 6.1. EXECUTIVE COMMITTEE

The Board of Directors may, by a majority vote of directors, designate two (2) or more of its members (who may also be serving as officers of this corporation) to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the board in the management of the business and affairs of the corporation, except with respect to:

- (a) The approval of any action, which, under law or the provisions of these Bylaws, requires approval of all of the members or of a majority of all of the members.
- (b) The filling of vacancies on the board or on any committee which has the authority of the board.
- (c) The fixing of compensation of the directors for serving on the board or on any committee.
- (d) The amendment or repeal of Bylaws or the adoption of new Bylaws.
- (e) The amendment or repeal or any resolution of the board which by its express terms is not so amendable or repealable.
- (f) The appointment of committees of the board or the members thereof.
- (g) The approval of any transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

SECTION 6.2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" committees.

SECTION 6.3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The Board of Directors may also fix the time for special meetings of committees. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE 7 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

SECTION 7.1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 7.2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the President of the corporation.

SECTION 7.3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 7.4. GIFTS

The Board of Directors, by a majority of the Board, may accept on behalf of the corporation any contribution, gift, bequest, or device for the charitable or public purposes of this corporation.

SECTION 7.5. TRANSFER OF ACCOUNT INTO CORPORATION

Once incorporation has occurred, the temporary fund established in May of 2002 through SAWA for the San Jacinto River Watershed Council will be transferred upon the Board of Directors request to the Treasurer within a reasonable period of time, herein designated as sixty (60) days.

ARTICLE 8 CORPORATE RECORDS, REPORTS AND SEAL

SECTION 8.1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office in the State of California:

(a) Minutes of all meetings of directors, committees of the board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;

(b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;

(c) A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;

(d) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

SECTION 8.2. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 8.3. DIRECTORS' INSPECTION RIGHTS

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 corporation.

SECTION 8.4. MEMBERS' INSPECTION RIGHTS

Each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

(a) To inspect and copy the record of all members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested.

(b) To obtain from the Secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.

(c) To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the Board or committees of the Board, upon written demand on the corporation by the member, for a purpose reasonably related to such person's interests as a member.

SECTION 8.5. RIGHT TO COPY AND MAKE EXTRACTS

Agent or attorney may make in person any inspection under the provisions of this Article. The right to inspection includes the right to copy and make extracts.

SECTION 8.6. ANNUAL REPORT

The board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all directors of the corporation and, if this corporation has members, to any member who requests it in writing. The report shall 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, during the fiscal year;

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;

(e) Any information required by Section 7 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

If this corporation has members, then, if this corporation receives TWENTY-FIVE THOUSAND DOLLARS (\$25,000), or more, in gross revenues or receipts during the fiscal year, this corporation shall automatically send the above annual report to all members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants or certification of a corporate officer, as specified by the above provisions of this Section relating to the annual report.

SECTION 8.7. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO MEMBERS

This corporation shall mail or deliver to all directors and any and all members a statement within one hundred and twenty (120) days after the close of its fiscal year, which briefly describes the amount, and circumstances of any indemnification or transaction of the following kind:

(a) Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

(1) Any director or officer of the corporation, or its parent or subsidiary (a mere common directorship shall not be considered a material financial interest); or

(2) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent or its subsidiary.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than FIFTY THOUSAND DOLLARS (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than FIFTY THOUSAND DOLLARS (\$50,000).

Similarly, the statement need only be provided with respect to indemnification's or advances aggregating more than TEN THOUSAND DOLLARS (\$10,000) paid during the previous fiscal year to any director or officer, except that no such statement need be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

If this corporation has any members and provides all members with an annual report according to the provisions of Section 6 of this Article, then such annual report shall include the information required by this Section.

ARTICLE 9 FISCAL YEAR

SECTION 9.1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the corporation shall begin on the 1st of January and end on the 31st of December in each year.

ARTICLE 10 AMENDMENT OF BYLAWS

SECTION 10.1. AMENDMENT

Subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted as follows:

(a) Subject to the power of members to change or repeal these Bylaws under Section 5150 of the Corporations Code, by approval of the Board of Directors unless the Bylaw amendment would materially and adversely affect the rights of members as to voting or transfer, provided, however, if this corporation has admitted any members, then a Bylaw specifying or changing the fixed number of directors of the corporation, the maximum or minimum number of directors, or changing from a fixed to variable board or vice versa, may not be adopted, amended, or repealed except as provided in subparagraph (b) of this Section; or

(b) By approval of the members, if any, of this corporation.

ARTICLE 11 AMENDMENT OF ARTICLES

SECTION 11.1. AMENDMENT OF ARTICLES BEFORE ADMISSION OF MEMBERS

Before any members have been admitted to the corporation, any amendment of the Articles of Incorporation may be adopted by approval of the Board of Directors.

SECTION 11.2. AMENDMENT OF ARTICLES AFTER ADMISSION OF MEMBERS

After members, if any, have been admitted to the corporation, amendment of the Articles of Incorporation may be adopted by the approval of the Board of Directors and by the approval of the members of this corporation.

SECTION 11.3. CERTAIN AMENDMENTS

Notwithstanding the above sections of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE 12 PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

SECTION 12.1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No member, director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise

permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

ARTICLE 13

MISCELLANEOUS

SECTION 13.1. CONFLICT WITH STATE LAW

All provisions of these By-laws shall be construed in accordance with the laws of the State of California. In the event of uncertainty, ambiguity, or inconsistency contained in these By-laws, the laws of the State of California, as they exist now or may hereafter be amended, shall control the interpretation, reconciliation or ascertainment of the effect of the provisions contained herein.

SECTION 13.2. AMENDMENT OF THE BY-LAWS

Any Director may propose an amendment to the By-laws. Any such an amendment shall require an affirmative vote by a two-thirds (2/3) majority of the Board of Directors, and written notice containing both the proposed amendment and the time and place of the meeting must be sent to all of the Directors a minimum of seven (7) days prior to the meeting, in which such amendment is to be considered. No reduction of the authorized number of directors shall have the effect of an approval of an amendment to the By-laws.

ARTICLE 14 MEMBERS

SECTION 14.1. ASSOCIATE AND LIAISON MEMBERS.

The Corporation shall have two different categories of members: Associate and Liaison Members.

A stakeholder is anyone or any group who feels that they have some interest, concern or other stake in the health of the San Jacinto River Watershed system.

Associate members are those stakeholders that make up the general membership of the watershed council. The Board of Directors and officers of the corporation are members of this group.

Liaison members are those entities that are not voting members, but no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Corporations Code. The Corporation may grant some or all of the rights of a member to any person or entity that does not have the right to vote, but no such person or entity shall be a member within the meaning of Section 5056 of the California Corporations Code by amendment of its Articles of Incorporation or of these bylaws.

Liaison members are those members that may be perceived by stakeholders as part of the regulatory process implementing rules within the watershed to various stakeholder groups.

SECTION 14.2. ASSOCIATE AND LIAISON MEMBER FEES.

The annual fees, payable to the Corporation by members will be in such amounts payable at such time or times as may be determined as needs may dictate by resolution of the Board of directors.

SECTION 14.3. GOOD STANDING

Those members who have paid the required dues, fees and assessments in accordance to the bylaws and who are not suspended shall be members in good standing.

SECTION 14.4. TRANSFER OF MEMBERSHIP

Membership in this Corporation is not transferable or assignable.

SECTION 14.5 TERMINATION OF MEMBERSHIP

Membership in the Corporation will terminate on any of the following events:

- a) On the resignation of the member;
- b) On the failure of the member to pay annual dues within 60 days after mailing of written notice that such payment is due and owing;
- c) On the expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board of Directors.
- d) On the occurrence of an event that renders the members ineligible for membership, or failure of a member to satisfy membership qualifications;
- e) On the expulsion of the member based on the good faith determination by the Board or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS

We, the undersigned, are all of the persons named as the initial directors in the Articles of Incorporation of the San Jacinto River Watershed Council, a California nonprofit corporation, and, pursuant to the authority granted to the directors by these Bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing Bylaws, consisting of 20 pages, as the Bylaws of this corporation.

Dated: _____

_____ Mark Norton, Director

_____ Jim Gilmore, Director

_____ Bruce Scott, Director

_____ Joe Garcia, Director

_____ Sid Sybrandy, Director

_____ Steve Stump, Director

_____ Rob Lindquist, Director

_____ Philip Williams, Director

_____ Sue Nash, Director

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the Bylaws of the corporation named in the title thereto and that such Bylaws were duly adopted by the Board of Directors of said corporation on the date set forth below.

Dated: _____

_____, Secretary