

# BYLAWS OF

## LOS ALTOS HILLS NEIGHBORHOOD NETWORK

### History:

- Updated board terms and descriptions – meeting 8/25/2020
- Updated board terms after LAHCF meeting 9/15/2020
- Updated Articles 11.1 and 11.7.1 meeting 8/12/2023

### ARTICLE I

#### NAME AND LOCATION

The corporation's name is Los Altos Hills Community Fiber, hereinafter referred to as the "Neighborhood Network." The corporation's principal office shall be located in Santa Clara County, California, but a meeting of members and directors may be held at such places as may be designated by the Board.

### ARTICLE II

#### PURPOSES; LIMITATIONS

**Section 2.1 General Purpose.** The corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.

**Section 2.2 Special Purpose.** The corporation's specific purpose is to hold and maintain certain infrastructure for the provision of Internet services and other services for the Members' benefit.

**Section 2.3 Limitations.** The corporation has been formed for the purposes described above and shall be nonprofit and nonpartisan. No substantial part of the corporation's activities shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and it shall not participate or intervene in any political campaign on behalf of any candidate for public officer or for or against any cause or measure being submitted to the people for a vote. The corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes described above.

**Section 2.4 Dedication of Assets.** Upon the corporation's winding up and dissolution, and after paying or adequately providing for the corporation's obligations, its remaining assets shall be distributed to a nonprofit entity that has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

## ARTICLE III

### DEFINITIONS

**Section 3.1 “Articles of Incorporation”** means the Articles of Incorporation of the corporation filed with the California Secretary of State on February 11, 2019, as amended and restated from time to time.

**Section 3.2 “Lot”** means any numbered plot of land intended for use as a residence and shown upon any recorded subdivision map of Los Altos Hills.

**Section 3.3 “Member”** means an Owner whose Lot is included in the Properties.

**Section 3.4 “Membership Agreement”** means a Membership Agreement between the corporation and an Owner by which the Owner agrees to be bound by the terms and conditions of the Articles of Incorporation and these Bylaws.

**Section 3.5 “Neighborhood Network”** means Los Altos Hills Neighborhood Network, a California nonprofit mutual benefit corporation, and its successors and assigns.

**Section 3.6 “Owner”** means the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Los Altos Hills, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation or trustees under any instrument securing an obligation.

**Section 3.7 “Properties”** means the real property of Members.

### ARTICLE IV QUALIFICATIONS FOR AND OBLIGATIONS OF MEMBERSHIP

**Section 4.1 Qualification.** Membership in the Neighborhood Network shall be limited to Owners of Lots which are part of the Properties. An Owner may become a Member by executing and delivering a Membership Agreement and having such Membership Agreement accepted by the corporation.

**Section 4.2** Each Member shall have a property interest in the LOS ALTOS HILLS NEIGHBORHOOD NETWORK, an interest that is appurtenant to the land owned by Members.

**Section 4.3 Assessments.** Each Member, upon becoming a Member, shall pay to the Neighborhood Network an initial one-time construction assessment. Special assessments for capital improvements, if necessary, may be required to maintain or improve fiber and internet services, or other services provided by the Neighborhood Network.

**Section 4.4 Approval of Special Assessments.** Special Assessments shall be levied upon the Members only upon the approval of the Board and the vote of seventy-five percent (75%) or more of the Members.

**Section 4.5 Member Default.** If a Member is in default in the payment of any assessment, the Board may suspend such Member's voting rights and such Member's right to utilize the corporation's facilities until such assessment has been paid.

## ARTICLE V

### BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

**Section 5.1 Number.** The authorized number of directors is seven (7).

**Section 5.2 Election; Qualification.** The incorporator shall appoint the initial directors. At the first annual meeting of Members and at each annual meeting thereafter, the Members shall elect the initial directors, who shall hold office positions of: President – 4 years, Treasurer 3 years, and Secretary – 2 years. After these **initial** terms, each board position is (3) years or until their successors are elected. Any person elected as a director by the Members must be a Member. If such a person ceases to be a Member, then such person shall be deemed to have resigned from the Board. Board members can be replaced when a majority of the board votes to remove a board member.

**Section 5.3 Removal.** In the event of death, resignation or removal of a director, such director's successor shall be elected by the remaining members of the Board and shall serve for such director's unexpired term.

Board members can be removed with a majority of the board voting to remove that board member. Typical reasons for removal can include:

1. Unethical behavior
2. Poor Attendance and ineffective in the performance of responsibilities, lack of contribution
3. Poor interaction with other board members.
4. Conflict of interest issues that have been identified but not addressed in a timely manner

**Section 5.4 Compensation; Expenses.** No director shall receive compensation for any service rendered to the Neighborhood Network. However, any director may be reimbursed for actual reasonable expenses incurred in the performance of such director's duties.

## ARTICLE VI

### BOARD MEETINGS

**Section 6.1 Regular Meetings.** Regular meetings of the Board shall be held quarterly without notice, and at such place and hour as may be fixed from time to time by resolution of the Board.

**Section 6.2 Special Meetings.** Special meetings of the Board shall be held when called by the President or by any two(3) directors, after not less than three (3) days' notice to each director. However, notice of such meeting may be waived in writing.

**Section 6.3 Quorum.** A majority of the authorized number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**Section 6.4 Action Taken Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

**Section 6.5 Meetings by Conference Telephone or Other Communications Equipment.** So long as permitted by statute, directors may participate in any meeting through any means of communication, including conference telephone or similar communications equipment (so long as all directors participating in such meeting can hear one another), electronic screen communication or other communications equipment. Participation in a meeting pursuant to this Section constitutes presence in person at that meeting if each participating director can communicate with all of the other directors concurrently and (1) the meeting is held by conference telephone or video conferencing or other communication mode enabling participants to determine, through voice or image recognition, that a participant is or is not a director entitled to participate in the meeting or (2) another verification device is used that each person participating in the meeting is in fact a director. Such verification method may include use of passwords or similar codes for gaining access to the meeting

## **ARTICLE VII NOMINATION AND ELECTION OF DIRECTORS**

**Section 7.1 Nomination.** Nomination for election to the Board shall be made from the floor at the annual meeting of Members.

**Section 7.2 Election.** Election to the Board shall be by secret written ballot. At each election, the Members or their proxies may cast, in respect to each director to be elected, one (1) vote. The person receiving the largest number of votes for each available spot on the Board shall be elected. Cumulative voting is not permitted.

## **ARTICLE VIII**

### **BOARD POWERS AND DUTIES**

**Section 8.1 Corporate Powers Exercised by Board.** Subject to the provisions of the Articles of Incorporation, the California Nonprofit Corporation Law and other applicable laws, the corporation's business and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of directors (the "**Board**"). The Board may delegate the management of the corporation's activities to any person or persons, management

company or committee however composed, provided that the corporation's business and affairs shall be managed and controlled under the Board's ultimate authority.

**Section 8.2 Specific Board Powers.** The Board shall have power to declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board.

**Section 8.3 Duties.** It shall be the duty of the Board to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) or more of the Members who are entitled to vote
- (b) as more fully provided herein to:
  - i. Fix the amount of the special assessment against each Lot for capital improvements, if necessary, at least thirty (30) days in advance of such assessment; and
  - ii. Send written notice of such assessment, if necessary, to every Owner subject thereto at least thirty (30) days in advance of each such assessment;
- (c) issue, or to cause an appropriate officer to issue, upon demand by any person, at any reasonable time, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment; and
- (d) procure and maintain, to the extent commercially reasonable, adequate liability and hazard insurance on property and interests in property owned by the Neighborhood Network.

## ARTICLE IX

### INDEMNIFICATION; LIABILITY

**Section 9.1 Indemnification.** Each director and officer (and such person's heirs, executors, and administrators) shall be indemnified by the Neighborhood Network against reasonable costs and expenses such person incurred in connection with any action, suit or proceeding, or threatened action, suit or proceeding, to which such person may be made a party by reason of such person being or having been a director or officer of the Neighborhood Network, except in relation to any action, suit or proceeding in which such person has been adjudged liable because of negligence or misconduct, which shall be deemed to include willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. In the absence of an adjudication which expressly absolves the director or officer of liability to the Neighborhood Network or the Members for negligence and misconduct

within the meaning thereof as used herein, or in the event of a settlement, each director and officer (and such person's heirs, executors and administrators) shall be indemnified by the Neighborhood Network against payments made, including reasonable costs and expenses, provided that such indemnity shall be conditioned upon the prior determination by a resolution of two-thirds (2/3) of those members of the Board who are not involved in the action, suit or proceeding that the director or officer has no liability by reason of negligence or misconduct, within the meaning thereof as used herein, and provided further that if a majority of the members of the Board are involved in the action, suit or proceeding, such determination shall have been made by a written opinion of independent counsel. Amounts paid in settlement shall not exceed costs, fees and expenses which would have been reasonably incurred if the action, suit or proceeding had been litigated to a conclusion. Such a determination by the Board or by independent counsel, and the payments of amounts by the Neighborhood Network on the basis thereof shall not prevent a Member from challenging such indemnification by appropriate legal proceedings on the grounds that the person indemnified was liable to the Neighborhood Network or its Members by reason of negligence or misconduct, within the meaning thereof as used herein. The foregoing rights and indemnification shall not be exclusive of any other rights to which the officers and directors may be entitled according to law.

**Section 9.2 Liability.** No director or officer shall be personally liable for the performance of any contract or agreement entered into by the officer or Board on behalf of the Neighborhood Network.

## ARTICLE X

### MEETINGS OF MEMBERS

**Section 10.1 Annual Meeting.** The first annual meeting of the Members shall be held within one year from the corporation's date of incorporation at a date to be determined by the Board, and each subsequent regular annual meeting of the Members shall be held each April on such day and at such hour as may be designated by the Board in the notice of the meeting.

**Section 10.2 Special Meetings.** Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote at least twenty-five percent (25%) of the votes of the Members.

**Section 10.3 Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or the person or persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Neighborhood Network, or supplied by such Member to the Neighborhood Network for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

**Section 10.4 Quorum.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these Bylaws. If,

however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

**Section 10.5 Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon a Member's conveyance of such Member's Lot.

**Section 10.6 Action Without Meeting by Ballot.** Any action that may be taken at any annual or special meeting of Members (except the election of directors) may be taken without a meeting if a written ballot is distributed to every Member entitled to vote. Any form of written ballot distributed by any person to the Members shall set forth the proposed action, provide the opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting. The ballot materials shall (i) indicate the number of responses needed to meet the quorum requirement, (ii) state the percentage of approvals necessary to pass the measure submitted, and (iii) specify the time by which the ballot must be received in order to be counted.

**Section 10.7 Record Dates.** For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date," and only Members of record on the date so fixed shall be entitled to receive notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer or issuance of any membership on the corporation's books after the record date. In the case of determining those Members entitled to notice of, or to vote at, a meeting, the record date shall be no more than sixty (60) days before the date of the meeting or less than ten (10) days before such date. If no record date is fixed, Members at the close of business on the business day preceding the day on which notice is given or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held are entitled to notice of and to vote at the meeting of Members. In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited. If no record date is fixed, Members on the day the first written ballot is mailed or solicited who are otherwise eligible to vote are entitled to cast written ballots. In the case of determining Members entitled to exercise any rights in respect to other lawful action the record date shall be no more than sixty (60) days prior to the date of such other action. If no record date is fixed, Members on the sixtieth (60<sup>th</sup>) day before the date of such action are entitled to exercise rights with respect to such other lawful action.

**Section 10.8 Waiver of Notice.** The transactions of any meeting of Members, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, either in person or by proxy, and (ii) either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or consent to holding the meeting, or an approval of the minutes.

The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any person who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

**Section 10.9 Adjourned Meetings.** Any Members meeting, whether or not a quorum is present, may be adjourned from time to time by the affirmative vote of a majority of the votes entitled to be cast and represented at such meeting in person or by proxy, but in the absence of a quorum, no other business may be transacted at any such meeting unless these Bylaws otherwise provide. ]\

#### **Section 10.10 Joint Ownership.**

(a) **Voting.** If ownership of a Lot is held by more than one person, then the benefits, obligations and responsibilities of such ownership shall be shared jointly and severally by all such persons, and the joint owners of the Lot shall designate in writing the name of one natural person (the “**Owner of Record**”) who shall have the power to exercise all voting rights associated with that Lot, and to whom all notices shall be given. The Association shall have the right to rely on the Owner of Record for all notice and voting purposes. If Neighborhood Network is not notified of the Owner of Record’s name and address, then any vote of the Members shall be taken without consideration of the votes allocated to such Lot for purposes of determining a quorum or the total number or percentage of required votes on a particular matter.

(b) **Dispute.** Any vote for a Lot with joint owners must be cast as a single unit. If the joint owners of any Lot are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If the Owner of Record of a Lot casts a vote representing such Lot, it will be conclusively presumed for all purposes that such owner was acting with the authority and consent of all other owners of such Lot.

## **ARTICLE XI**

### **OFFICERS AND THEIR DUTIES**

**Section 11.1 Enumeration of Officers.** The officers shall be a President, Secretary and Treasurer, each of whom shall at all times be an LAHCF member, and such other officers as the Board designates by resolution at any time.

**Section 11.2 Election of Officers.** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

**Section 11.3 Term.** The officers shall be elected annually by the Board and each shall hold office for one (1) year unless such officer sooner resigns, shall be removed, or shall otherwise be disqualified to serve. Officers may be elected to an unlimited number of terms.

**Section 11.4 Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of



such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 11.5 Vacancies.** A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 11.6 Multiple Offices.** No person shall simultaneously hold more than one officer position.

**Section 11.7 Duties.** The duties of the officers are as follows:

**(a) President.** The President shall (i) preside at all Board meetings, (ii) see that orders and resolutions of the Board are carried out, (iii) sign all leases, mortgages, deeds and other written instruments and (iii) co-sign all checks and promissory notes. The President can delegate all activities listed above to another officer or director.

**(b) Secretary.** The Secretary shall (i) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, (ii) keep the corporate seal and affix it on all papers requiring said seal, (iii) serve notice of meetings of the Board and of the Members, (iv) keep appropriate current records showing the Members together with their addresses, and (v) perform such other duties as required by the Board.

**(c) Treasurer.** The Treasurer shall (i) receive and deposit in appropriate bank accounts all monies of the Neighborhood Network, (ii) disburse such funds as directed by resolution of the Board, (iii) co-sign all checks and promissory notes, (iv) keep proper books of account, (v) if directed by the Board, cause an annual audit of the Neighborhood Network's books to be made by a public accountant at the completion of a fiscal year, and (vi) prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of each to the Members.

## **ARTICLE XII**

### **BOOKS AND RECORDS**

The corporation's books and records shall be available for inspection by any Member at all times, during reasonable business hours. The Articles of Incorporation and the Bylaws shall be available for inspection by any Member on the corporations website.

## **ARTICLE XIII**

### **AMENDMENTS; CONFLICTS**

**Section 13.1 Amendments.** These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of Members present in person or by proxy.

**Section 13.2 Conflicts.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control.

## **ARTICLE XIV**

### **GENERAL PROVISIONS**

**Section 14.1 Fiscal Year.** The fiscal year of the Neighborhood Network shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**Section 14.2 Corporate Seal.** The Board may provide a suitable seal containing the corporation's legal name.

**CERTIFICATION**

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Los Altos Hills Community Fiber, a California mutual benefit corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of the Neighborhood Network, as duly adopted at a meeting of the Board of Directors thereof held on August 12, 2023.



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Secretary