

ARTICLE I. NAME OF ORGANIZATION

The name of the corporation is FRIENDS OF MOBILE TREES (FOMT).

ARTICLE II. CORPORATE PURPOSE

Section 1. Nonprofit Purpose

This corporation is organized exclusively for charitable civic purposes.

Section 2. Specific Purpose

Friends of Mobile Trees preserves, promotes and celebrates our world class trees.

ARTICLE III. GENERAL MEMBERSHIP

Section 1. Eligibility for Membership

Membership is open to any current or past resident, property owner or business owner who supports the purpose statement in Article II, Section 2. Memberships shall be granted upon a majority board vote.

Section 2. Rights of Members

The Board shall have authority to establish and define voting categories for general members.

Section 3. Resignation

Any general member can resign at any time for any reason or no reason. A general member can be removed for any reason or no reason by a majority vote of the Board members.

ARTICLE IV. MEETINGS OF MEMBERS

Section 1. Meetings

A majority Board vote shall determine the frequency/ time/ place of FOMT's public meetings.

Section 2. Notice of Meetings

The Board may notify members by email or text of meetings at least two weeks prior to the meeting.

Section 3. Quorum

A majority of current Board members shall constitute a quorum for conducting meeting business.

ARTICLE V. BOARD OF DIRECTORS

Section 1. General Powers

The Board of directors shall manage the corporation's business and property.

Section 2. Number, Tenure, Requirements and Qualifications

The Board shall consist of at least three Directors.

Each member shall serve a term up to or including three years as determined by a majority Board vote.

No two people related by blood or marriage/domestic partnership may be on the board simultaneously.

Each Board member shall contribute at least \$100 each year to FOMT.

Section 3. Vacancies

The Board may fill any Board vacancy by a majority vote of the remaining Board members at a Board meeting according to methods approved by a majority Board vote.

Section 4. Compensation

Board members shall not receive any compensation in cash or in-kind for Board service.

Section 5. Informal Action by Directors

Any action, including actions required by law, normally taken at a meeting, may be taken without a meeting if all Directors are notified of the intended action and at least two thirds approve it.

Section 6. Confidentiality

Directors shall not disclose information about the Corporation's activities to any person or entity unless such information is already public knowledge, such person or entity has a need to know, or disclosing such information would further the FOMT's purposes or can reasonably be expected to benefit the Corporation. Directors shall use discretion and good business judgement in discussing the FOMT's affairs with third parties.

Section 7. Advisory Council

The Board may create an Advisory Council and elect its members. Council members would provide Board members expertise and professional knowledge but would have no assigned duties, voting privileges or obligations to attend meetings. Advisory Council members would adhere to the same confidentiality policy set forth in Section 6.

Section 8. Parliamentary Procedure

The President may use *Robert's Rules of Order* to guide meeting discussions.

Section 9. Removal

Any Director or Advisory Council member may be removed with or without cause, at any time, if three quarters of the Directors deem that it is in their judgment in the Corporation's best interest. Each Director must receive written notice of the proposed removal at least ten days before the proposed action. An approved removal is effective immediately.

Article VI. OFFICERS

The Board must have a minimum of three active Board members: a President, Vice President and Treasurer. In the event of a mid-term vacancy, the board may continue to conduct routine business.

Section 1. President

The President shall preside at all meetings and be an ex-officio member of any standing committees created by a vote of all Board members.

Section 2. Vice-President

The Vice President shall preside at all meetings when the President is absent.

Section 3. Treasurer

- a. The Treasurer shall keep accurate records of contributions and expenditures approved by the Directors.
- b. The Treasurer shall assist in direct audits of program funds according to funding source guidelines and generally accepted accounting principles.
- c. The Treasurer shall perform other duties as deemed by a majority of board directors such as providing regular reports of contributions and expenditures.

Section 4. Additional Board Positions

- a. The Board may create other board positions to meet the FOMT's goals and objectives including the position of Board Secretary. If this position is created, the Secretary would keep minutes of all Board meetings, record all votes and assist the President in arranging all meetings.
- a. A two-thirds Board vote in favor is required to create additional Board positions.

Section 5. Election of Board Members and Term Limits

- a. Requires a majority vote of existing Board members.
- b. Board members may succeed to a second term pursuant to ARTICLE V. Section 2 if approved by a majority vote of Board members.

ARTICLE VII. COMMITTEES

Section 1. Committee Formation

The Board may create committees as needed such as for fundraising, public relations etc. in addition to the Advisory Council outlined in ARTICLE V. Section 7.

Section 2. Executive Committee

If the total number of Board positions exceeds five, the President, Vice President and Treasurer shall also serve as members of an Executive Committee. Aside from power to amend Articles of Incorporation and Bylaws, the Executive Committee shall have all powers and authority of the Board of Directors to act in a timely way between regular board meetings. Upon further review, the Executive Committee shall be subject to the full Board's direction and control.

ARTICLE VIII. CORPORATE STAFF

FOMT shall have authority to hire paid employees if this would serve the FOMT's goals and objectives and not jeopardize the Corporation's non-profit status.

ARTICLE IX. – Conflict of Interest and Compensation

Section 1: Purpose

The purpose of the conflict of interest policy is to protect this intended tax-exempt Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2: Definitions

a. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
2. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Procedures

- a. **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 be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the

board meeting while the determination of a conflict of interest is discussed and voted upon. Remaining board members shall decide if a conflict of interest exists.

c. Procedures for Addressing the Conflict of Interest

1. An 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 involving the possible conflict of interest.
2. 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.
3. After exercising due diligence, the governing board shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

d. Violations of the Conflicts of Interest Policy

1. If the governing 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.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a) 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 governing Board's or committee's decision as to whether a conflict of interest in fact existed.

b) 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 with the proceedings.

Section 5. Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 6. Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable
- c. investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 7. Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE X. IDEMNIFICATION

Section 1. General

To the full extent authorized under the laws of the State of Alabama, the corporation shall indemnify any director, officer, employee, or agent, or former member, director, officer, employee, or agent of the corporation, or any person who may have served at the corporation's request as a director or officer of another corporation (each of the foregoing members, directors, officers, employees, agents, and persons is referred to in this Article individually as an "indemnitee"), against expenses actually and necessarily incurred by such indemnitee in connection with the defense of any action, suit, or proceeding in which that indemnitee is made a party by reason of being or having been such member, director, officer, employee, or agent, except in relation to matters as to which that indemnitee shall have been adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any

other rights to which an indemnitee may be entitled under any bylaw, agreement, resolution of the Board of Directors, or otherwise.

Section 2. Expenses

Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board of Directors, upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified hereunder.

Section 3. Insurance

The corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power or obligation to indemnify such person against such liability under this Article.

ARTICLE XI. BOOKS AND RECORDS

The corporation shall keep complete books and records of account and minutes of the proceedings of the Board of Directors.

ARTICLE XII. AMENDMENTS

Section 1. Articles of Incorporation

The Articles may be amended in any manner at any regular or special meeting of the Board of Directors, provided that specific written notice of the proposed amendment of the Articles setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each director at least three days in advance of such a meeting if delivered personally, by facsimile, or by e-mail or at least five days if delivered by mail. As required by the Articles, any amendment to Article III or Article VI of the Articles shall require the affirmative vote of all directors then in office. All other amendments of the Articles shall require the affirmative vote of an absolute majority of directors then in office.

Section 2. Bylaws

The Board of Directors may amend these Bylaws by majority vote at any regular or special meeting. Written notice setting forth the proposed amendment or summary of the changes to be effected thereby shall be given to each director within the time and the manner provided for the giving of notice of meetings of directors.

