

**South Bay Islamic Association
(SBIA)**

Bylaws

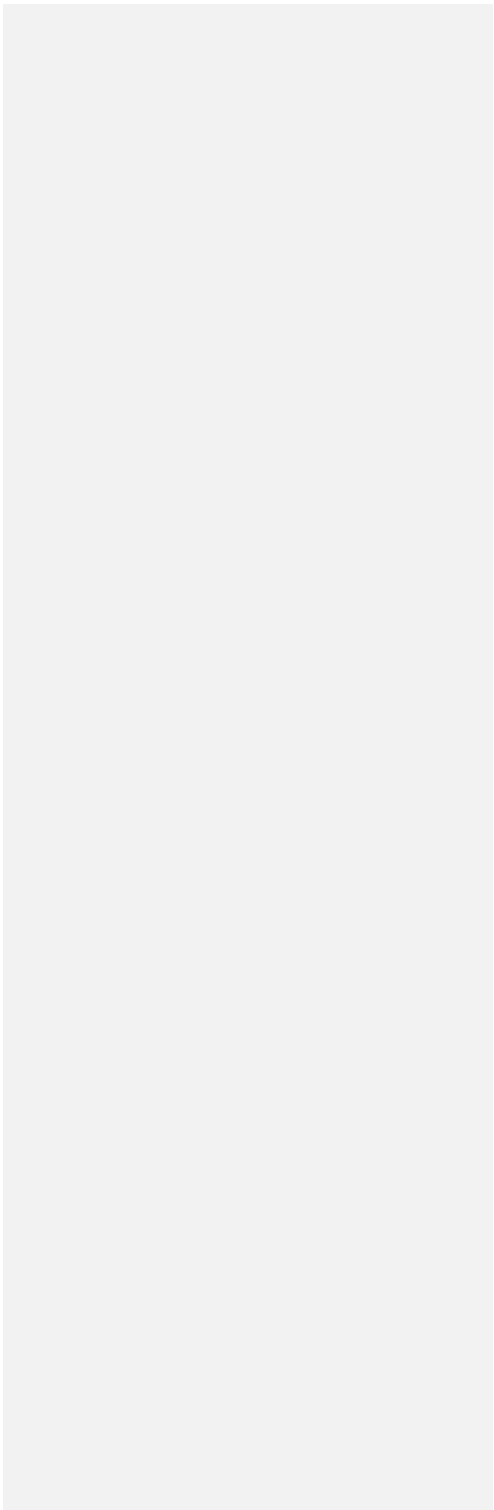
As amended December ~~xx~~, 2021

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2345 Harris Way, San Jose,
CA 95131

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Article 1

Article 1: Vision and Mission

Section 1: Incorporation

The South Bay Islamic Association (SBIA) hereinafter sometimes referred to, as “this Corporation,” “this Association,” or “this Organization” or “SBIA” is a non-profit, religious organization, incorporated under Section 501(c)3 of the IRS Code, with EIN 94-2683384. The Articles of Incorporation were filed with the Secretary of the State of California on March 28, 1980.

Section 2: Vision Statement

To become a leading platform for developing and sustaining a diverse and thriving Islamic Community that is an integral part of America in accordance with the Qur'an and the Sunnah of the Prophet Muhammad ^ﷺ.

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Section 3: Mission Statement

The Mission of SBIA is:

1. To provide Islamic educational, religious and social services
2. To collaborate with other organizations to serve the greater Muslim community
3. To develop a harmonious relationship with neighbors and community at large within the framework of Islam.

Article
2

Article 2: Office

Section 1: Principal Office

The principal office for the transaction of business of the South Bay Islamic Association is located at 2345 Harris Way, San Jose, CA 95131, in the County of Santa Clara.

The Board of Directors of this Association authorized to change such principal office to any location within the County of Santa Clara in the State of California.

Article
3

Article 3: Membership

Section 1: Voting Members

- (A) Any Muslim who
 - 1. Is at least 16 years of age,
 - 2. Has filled out the current membership form and signed the Arbitration Agreement (§ Attachment B: Arbitration Clause for the Members),
 - 3. Has paid the annual membership due,
 - 4. Is a resident of one of the following California counties: Santa Clara, Santa Cruz, San Mateo, or Alameda,
 - 5. Believes in the Unity of Allah,
 - 6. Asserts that Prophet Muhammad ﷺ is the Last and Final Prophet of Allah ﷻ, with no other prophets, messengers, or messiahs following him, and the holy Quran is the last and final book from Allah ﷻ,
 - 7. Follows the creed of Ahl us Sunnah wal Jamaah, and
 - 8. Is sympathetic to the causes of this Association, and has indicated an interest in furthering its aims,
- (B) Membership shall be individual.
- (C) Eligible individuals must pay the annual membership dues applicable at that time. The Board of Directors may change membership fees at their discretion through a motion that is recorded in the minutes of a Board meeting and announced to the community in the first two months of the membership period immediately preceding the election. The fees may be structured to support membership categories such as (but not limited to)
 - 1. Student Member
 - 2. General Member
 - 3. Senior Member

All categories of paying members are entitled to be voting members of the association.

The annual membership dues must be paid by June 30 to be a member for the following period from July 1-June 30.

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(D) Recordable donations (donations that are made by using personal checks or other means that clearly indicate donor's name and address) may be substituted for the annual membership due as long as they are for SBIA operating funds or SBIA's asset-related (e.g. – land or building) projects and the amount donated is equal to or more than the amount of membership dues. Payments made in exchange for goods or services received are not eligible to be considered as membership donations.

Section 2: Non-Voting Members

Non-Voting Members of the Association are the community members who participate in the activities of the Association but do not pay annual membership dues or do not meet the voting membership requirements stated above in [Article 3, Section 1](#).

Section 3: Cancellation Of Voting Membership

Membership of a voting member is nullified when

- (A) The member voluntarily withdraws from the Association, or
- (B) The member fails to pay the annual membership due and becomes a Non-Voting Member, or
- (C) The member is expelled by a two-thirds (2/3) majority vote of the Board of Directors for failing to maintain the membership requirements as outlined in [Article 3, Section 1](#).

Section 4: Electoral List And Voter Eligibility

- (A) The Electoral List will consist of the Voting Members who have paid their annual membership dues as required in [Section 1](#).
- (B) Each Voting Member shall be entitled to cast one vote.

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Article
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Article 4: The General Body

Section 1: Definition of the General Body

The General Body of the Association consists of its current Voting Members, Directors, and Trustees.

Section 2: Powers of the General Body

- (A) Approves amendments to the Bylaws of the Association proposed by the Boards of Directors.
- (B) Elects Directors and Trustees in scheduled elections.
- (C) Has power to issue a Vote of No Confidence in one or more Directors at a regularly scheduled Annual General Body Meeting. However, the maximum number of Directors that can be voted of No Confidence cannot exceed one-third of the current number of Directors.
- (D) Has power to issue a Vote of No Confidence in one or more Trustees at a regularly scheduled Annual General Body Meeting. However, the maximum number of Trustees that can be voted of No Confidence cannot exceed one-third of the current number of Trustees.
- (E) In order for taking a Vote of No Confidence in any of the Directors or Trustees, a quorum of a simple majority of the entire voting membership (50% of the membership + 1 member) has to be physically present and of those attending the meeting, two-thirds (2/3) majority must affirm the No Confidence decision.
- (F) If such a Vote of No Confidence is approved by the General Body for any Director or Trustee of the Association, the Board of Directors shall appoint a Nomination Committee within a month to nominate qualified candidates to the Board of Directors or Trustees to fill the interim vacancies by the respective body of the Association within three months.

Section 3: General Body Meetings

- (A) General Body meetings shall be held at least once a year at the request of the Board of Directors of the Association to provide an update on the state of the Association and approve proposed amendments to the Bylaws, if any.
- (B) General Body meetings shall be held at the office of the Association or any other place specified in the meeting announcement. In an emergency situation as defined in Article 6, Section 13(A), the Board of Directors may vote to convene the regular annual General Body meeting virtually.
- (C) The Secretary of the Association shall notify the members about the location, date, and time of the General Body meeting

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a. in writing or via email, or

b. by oral and written announcements to be posted at the Principal Office of the Association and by posting the same announcement to the website of the Association

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at least fourteen days in advance of the date of the scheduled General Body meeting.

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(D) Agenda for the General Body meetings shall be set by the Board of Directors and announced by the Secretary along with the meeting announcement. If the General Body meeting is convened virtually, the agenda shall not contain any items requiring a vote.

(E) Agenda for the General Body meetings shall, if deemed necessary, be amended and approved at the beginning of the meeting by a two-thirds (2/3) majority of the members attending the General Body meeting. If the General Body meeting is convened virtually, the agenda shall not be amended.

(F) General Body meetings shall be presided over by the President of the Association, or if absent, by the Vice-President, or, in the absence of both, by a Chairperson from the Directors or Trustees of the Association chosen by a majority vote of the Directors and Trustees of the Association present. The Secretary of the Association shall act as the Secretary at General Body meetings. In case the Secretary is absent from any such meetings, the presiding officer may appoint any person to act as Secretary for the meetings.

(G) The minutes of the General Body meeting as recorded by the Secretary of the General Body meeting (as appointed in item (F) above) shall constitute the official record of the General Body meeting. These minutes shall be approved by the Directors of the Association at their first scheduled meeting following the General Body meeting, and shall be duly posted at the office of the Association.

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Article
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Article 5: Board Of Directors

Section 1: Number Of Directors

The Association shall have Directors who will collectively be known as the Board of Directors, hereinafter sometimes referred to as “the Board.”

(A) Number of Directors. The number of Directors of the Association shall be nine.

Section 2: Election Procedure

(A) An Election Committee shall be appointed by the Board of Directors to conduct the Elections to the Board of Directors ~~and to the Board of Trustees.~~

~~(B) Any Voting Member of the Association,~~

- ~~1. who has been a member of the Association continuously for the last three years in good standing, and~~
- ~~2. contributed at least the required annual minimum eligibility amount for Directors as resolved by the Board of Directors for each of the last three years, and~~
- ~~3. is either a US Citizen or Permanent Resident (Green Card holder),~~

shall be eligible to be elected as a Director of the ~~Association.~~

(C) The term of office for a Director of the Association will be three years. A Director may not serve more than ~~two~~ consecutive terms (~~6~~ years), unless the first of two terms was served to fill a vacancy of less than eighteen months. A Director or Trustee may stand for re-election to the Board of Directors after meeting the inactive period defined below in (D).

~~(D) Former Directors who have served two full consecutive terms may become candidates for a new term on the Board of Directors if at least one year has elapsed since the end of their previous term. A former Director is eligible for nomination during the “gap year” to serve in the following year, provided all other requirements are met.~~

~~(E) Former Trustees may become eligible to serve on the Board of Directors if at least one year has passed since they last served on the Board of Trustees. A former Trustee is eligible for nomination during the “gap year” to serve in the following year, provided all other requirements are met.~~

~~(F) A currently serving Director must contribute at least the required minimum eligibility amount for Directors as resolved by the Board of Directors annually in order to continue as a Director of the~~

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Association. The minimum contribution amount is independent of the membership level of the member (General or Senior).

- (G) No two immediate family members (siblings, spouses, parents/children) can be on the Board of Directors and/or Board of Trustees concurrently.
- (H) ~~The Election Committee shall conduct the election process between July 1 and December 31 each year.~~
- (I) Elections shall be held every year. The positions of Directors whose term has expired will be open for election. Directors shall be elected from eligible candidates whose nominations have been received and accepted by the Election Committee. ↓
- (J) The Voting Procedure is to be determined by the Election Committee. Eligible Voting Members may cast their votes on ballots provided for this purpose by the Election Committee. Voting can be done by mail or in person; ballots must be delivered to the Election Committee at the address or addresses provided on the ballot before the announced close of polls on Election Day.
- (K) Newly-elected Directors shall start their term of office in the month of January following the elections.

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Section 3: Corporate Powers Of The Board Of Directors

- (A) Subject to any restrictions or limitations imposed by law, by the Articles of Incorporation, or by these Bylaws, and by the powers granted to the Board of Trustees of the Association, the powers of the Association are vested in the Board of Directors, which may delegate the performance of duties and exercise of powers to officers, committees and agents of the Association from time to time as shall be determined by resolution of the Board of Directors.
- (B) The Board of Directors shall run day-to-day operational and financial affairs of the Association.
- (C) The Board of Directors may initiate financial or real estate matters in accordance with the provisions described in the appropriate Article of the Bylaws of the Board of Trustees of the Association.
- (D) The Board of Directors may establish trust funds and investments to itself and to any other organization within the limits prescribed in the appropriate Article of the Bylaws of the Board of Trustees of the Association and subject to the Terms and Conditions set forth in the Articles of Incorporation of the Association.
- (E) The Board of Directors may appoint or dissolve Committees as per Article 8 of these Bylaws.
- (F) The Board of Directors may approve or disapprove nomination of a Director by the Nomination Committee. (↘ Section 4, and Article 8, Section 2).
- (G) The Board of Directors may dismiss any Director who fails to meet the qualifications required to be a Director as stated in Section 2(B) and 2(E) of this Article.
- (H) ~~The Board of Directors may suspend the financial eligibility requirements by a two-thirds (2/3) majority vote of the total number of Directors should an emergency such as the one described in Article 6, Section 13(A) occur.~~

Deleted: Retroactive Impact of these bylaws: At the time of writing these bylaws, the number of directors is nine. In the year these bylaws are adopted, the three directors who have served the longest in the most recent term will have their terms expire. The number of positions open for election in each subsequent election will be three. ¶

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- (I) All Directors are required to sign the arbitration agreement (§ Attachment A: Arbitration Clause for Directors and Trustees) and acknowledge the Conflict-of-Interest Policy annually (§ Article 14, Conflict of Interest Policy).

Section 4: Vacancies In The Board Of Directors

Vacancies in the Board of Directors shall exist

- (A) On the expiration of the term of any Director.
- (B) On the death, resignation, or dismissal according to Section 7 of this Article of any Director.
- (C) Whenever the number of Directors authorized is increased by the Board of Directors.
- (D) On the failure of the appointing power or powers to appoint the full number of Directors authorized.
- (E) If a Director is declared of unsound mind by an Order of the Court, or if finally convicted of a felony.
- (F) If within 60 days after notice of his/her election, the newly elected Director does not accept the office in writing or by attending a meeting of the Board of Directors.
- (G) If the Director fails to meet the membership requirements to be a director of the Association as stated in Section 2(B) of this Article, or
- (H) If the Director fails to attend meetings as prescribed under Article 6, Section 12.

Section 5: Filling Interim Vacancies In The Board Of Directors

- (A) Vacancies due to any of the above reasons (other than the expiration of terms of directors) shall be considered as interim vacancies in the Board of Directors.
- (B) A Nomination Committee shall be appointed by the Board of Directors to nominate qualified candidates to the Board of Directors to fill the Interim Vacancies.
- (C) Interim Vacancies shall be filled from amongst the candidates (nominated by the Nominations Committee) by a simple majority vote of the remaining Directors.
- (D) Interim vacancies will not be filled through the regular election cycle in Section 2 of this Article as the number of electable positions in a general election may not exceed one-third (1/3) of the number of positions on the Board of Directors.
- (E) The Director elected for this position shall serve for the remainder of the portion of the term of the vacating Director. In the event the number of Directors is increased, the elected Director will serve for the term prescribed by the Board of Directors.
- (F) Vacancies created by an amendment to the Articles of Incorporation increasing the number of Directors authorized shall be filled as provided by such amendment.
- (G) Written notice of resignation by a Director shall be subject to acceptance by the Board at the next scheduled meeting. The Directors shall then so notify the Nomination Committee, which may nominate a successor to take office when such resignation becomes effective and the Board has approved such nomination.

Section 6: Compensation Of Board Of Directors

No member of the Board of Directors shall receive any compensation from the Association for discharging their duties as a Director of the Association. Directors, Trustees, and their immediate family

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members may not be awarded zakat funds from the Association during their tenure as Directors or Trustees of the Association.

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Section 7: Removal Of Directors

- (A) A Director shall be removed from the Board of Directors for just cause under Section 3(G) of this Article by a two-thirds (2/3) majority vote of the number of directors specified in Section 1(A).
- (B) A Director may be removed from the Board of Directors by a Vote of No Confidence by the General Body at a regularly scheduled Annual General Body Meeting as described in Article 4, Section 2 (Powers of the General Body).

Article
6

Article 6: Meetings Of The Board Of Directors

Section 1: Day And Date Of Meetings

Meetings of the Board of Directors shall be held on the day and date agreed upon every month at such place or places within or without the State of California, which have been designated from time to time by resolution of the Board of Directors. In the absence of such designation, the meetings shall be held at the Principal Office of the Association (§ Article 2 Section 1: Principal Office), provided that any such meeting held elsewhere shall be valid if held on the consent of two-thirds of the Directors given either before or after a meeting and filed with the Secretary of the Association. Directors may participate in meetings and vote in person, by phone or electronically as long as a quorum is present. ~~At least one meeting in a quarter must be conducted in person at the Principal Office unless an emergency situation exists as described in Section 13(A) of this Article.~~

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Section 2: Quorum

A simple majority of the Board of Directors shall constitute a quorum.

Section 3: Special Meetings

Special Meetings of the Board of Directors may be called by the President, or if absent, or is unable, or refuses to act, by the Vice-President, or by any two Directors, and such meeting shall be held at a place within or outside the State of California, as designated by the person or persons calling the meeting, and in the absence of such designation, at the Principal Office of the Association. These meetings are also subject to the quorum requirement.

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Section 4: Notice Of Meetings

The Secretary, or other person designated by the President, shall deliver written, printed, or electronic mail of the time and place of the (regularly scheduled or specially called for) meetings of the Board of Directors personally, or by United States Mail, or by electronic mail, addressed to them at their address (or electronic mail address) as it appears on the Books of the Association at least three days (72 hours) prior to the date of the meeting. If a notice of all regular meetings has been distributed to all Directors, this 72-hour notice is not required for regular meetings.

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Section 5: Cancellation and Rescheduling of Meetings

1. The Board shall cancel a regularly scheduled meeting by a simple-majority rule.
2. Only the Directors who called for a special meeting shall cancel the special meeting.

3. The President and the Secretary of the Association shall decide if a regularly scheduled meeting needs to be rescheduled.

Section 6: Requirements Of An Act Of The Board Of Directors

Every Act or Decision, done or made by a simple majority of the Directors present at a meeting duly held at which a quorum is present is an Act of the Board of Directors, unless the law, the Articles of Incorporation of this ~~Association~~, or these Bylaws require a greater number.

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Section 7: Validity Of Transactions During Special Meetings

The transactions of any special 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 is present.

Section 8: When Quorum Is Not Present

Except as otherwise expressly provided in these Bylaws or by Law, no business shall be considered by the Board of Directors at any meeting at which a quorum is not present, and the only motion which the Chair shall entertain at such meetings is a motion to adjourn. However, a majority of the Directors present at such meetings may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 9: Chairperson Of A Meeting Of The Board Of Directors

Meetings of the Board of Directors shall be presided over by the President of the Association, or if absent, by the Vice-President, or, in the absence of both, by a Chairperson chosen by a majority of the Directors present. The Secretary of the Association shall act as the Secretary of the Board of Directors. In case the Secretary is absent from any such meeting, the Presiding Officer may appoint any person to act as Secretary for the meeting.

Section 10: Board Action By Written Consent

Any action required, or permitted, by the Board of Directors under any Provision of Law may be taken without a meeting, if a simple majority of the Board of Directors shall individually or collectively consent in writing, or electronically to such action. Such written consent or consents shall be filed with the minutes of the meetings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors. Any certificate or other document filed under any Provisions of Law which relates to action so taken shall state the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Articles of Incorporation and Bylaws of this Association authorize a Director to so act and such statement shall be *prima facie* evidence of such authority.

For actions taken by electronic consent, only email addresses that are on the record may be used. Directors are required to update their email addresses with the Secretary of the Board in order to receive communications and to participate in electronic actions.

Section 11: Personal Liability Of The Board Of Directors

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

The Association shall be required to carry Directors and Officers Liability Insurance.

Section 12: Director's Absence From Board Meetings

If any Director fails to attend three consecutive meetings of the Board of Directors, without written (including electronic mail) notice to the President, or Secretary, or Vice-President, he/she shall be subject to dismissal from the Board of Directors.

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Section 13: Emergency Meetings

(A) Definition of Emergency

An emergency is defined as an existential crisis for the Association, an act of God, terror strike, natural disaster or calamity, nuclear event, or civil unrest, inability of the Association to meet its outstanding liabilities, notice of civil action that must be responded to within a time frame that a special meeting cannot be conducted, or an event that results in a situation where the Association's operations may (or have to) cease, temporarily or for an extended period of time.

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(B) Emergency Meeting and Declaration of Emergency

Any surviving director of the Association can call an Emergency Meeting during such an emergency. The quorum for such a meeting shall be a simple majority of the surviving directors during an emergency event. The Board of Directors shall resolve that the Association is operating under Emergency Procedures. Multiple such meetings may be required and called during the course of an emergency.

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(C) Notice of Emergency Meeting

The notice of emergency meeting shall be distributed via available channels of communication during an emergency, notwithstanding the requirements of Section (4). The meeting shall be scheduled for the earliest possible time at which a quorum can be met. The notice period required in Section 4 will be considered waived for an emergency meeting.

(D) Location of Emergency Meeting

The emergency meeting can be conducted at any location agreed to by a majority of the surviving directors.

(E) Agenda for Emergency Meeting

The agenda for the emergency meeting shall be restricted to protecting and safeguarding the Association and its members, or ensuring that operations can be conducted or resumed in a timely manner. During an emergency, the directors may incur expenses over the standard limit, but will not be penalized for protecting the Association through their actions.

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(F) Actions taken in an Emergency Meeting

Actions taken in an Emergency Meeting shall be subject to review and approval at the next regular or special meeting of the Association, to be scheduled when the Emergency period has passed.

(G) Conclusion of Emergency

The return to normal operating procedure shall occur when the Board of Directors resolve that the Emergency conditions that triggered Section 13(A) of this Article no longer apply.

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Article 7: Officers Of The Association

Section 1: Designation Of Officers

The Officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer. The Association may also have, at the discretion of the Board of Directors, one or more additional Vice-Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers which may be appointed in accordance with the provisions of the Articles of Incorporation of the Association. One person may hold two or more offices, except those of President and Secretary.

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Section 2: Qualification And Term Of Office

Any Member of the Board of Directors of the Association is qualified to be an Officer of the Association. The Officers shall be elected by the Board of Directors within one month of the beginning of term of the new Board of Directors following the election, and each officer so elected shall hold office for a term of one year, until he or she resigns or is removed, or is otherwise disqualified to serve, or his/her successor shall be elected and qualified, whichever comes first.

Section 3: Removal Or Resignation Of Officers

Any Officer may be removed, either with or without cause, by a two-thirds majority vote of the Directors in office at the time, at any regular or special meeting of the Board. Any Officer may resign his position at any time by giving written notice to the Board of Directors or the President or Secretary of the Association. Any such resignation shall be subject to acceptance by the Board of Directors.

Section 5: Duties Of The President

The President shall be the Chief Executive Officer of the Association, and shall, subject to the control of the Board of Directors, supervise and control the affairs of the Association. The President shall perform all duties incident to the office and other such duties as provided by these Bylaws or as may be prescribed from time to time by the Board of Directors.

Section 6: Duties Of The Vice-President

The Vice-President shall perform all duties and exercise all powers of the President when the President is absent or is otherwise unable to act. The Vice-President shall perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 7: Duties Of The Secretary

The Secretary shall record minutes of all meetings of members and of the Directors, shall be custodian of the Corporate Records, shall give all notices as are required by Law or by these Bylaws, and generally, shall perform all the duties incident to the Office of the Secretary and such other duties as may be required by Law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

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Section 8: Duties Of The Treasurer

The Treasurer shall have charge and custody of all funds of the Association, shall deposit such funds required by the Board of Directors, shall keep and maintain adequate and correct accounts of the Association's properties and business transactions, shall render reports and accountings to the Directors, and to the members as required by the Board of Directors, or members, and shall 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, or by these Bylaws, or which may be assigned from time to time by the Board of Directors. Additionally, the Treasurer shall keep financial records for the Board of Trustees of the Association, and provide a quarterly statement of accounts to both the Board of Directors and Board of Trustees.

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Article 8: Committees

Section 1: Committee Structure

The Board of Directors

- (A) Shall appoint any number of Committees required to perform the tasks of the Association. Additional Committees, either temporary, or long-term may be formed for special projects, or for requirements not yet defined.
- (B) Shall supervise and direct all Committees through a liaison appointed to the Committees from the Board of Directors. All Committee Chairpersons shall be selected from the current members of the Association.
- (C) May dissolve any Committee.

Section 2: Special Committee: Nomination Committee

The Association shall have a Nomination Committee, members of which are appointed by the Board of Directors. The Nomination Committee will be chartered with evaluating and nominating qualified candidates for filling in vacancies in the Board of Directors and the Board of Trustees.

Article 9: Fiscal Management

Section 1: Fiscal Year

The Fiscal Year of the Association shall be from January 1st to December 31st, both dates inclusive.

Section 2: Funds ~~And Deposits~~

All funds received by the Association shall be credited to the Association and placed in depositories approved by the Board of Directors.

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Section 3: Excess Funds

Funds in the ~~Association's Operations~~ account in excess of amount agreed to between the Boards of Directors and Trustees shall be transferred into the Board of Trustees Account. The procedures for transfer shall be decided by the two boards.

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In the absence of such agreement, the excess amount is defined as \$25,000. The transfer shall be done within a period of one month from when the excess occurred, provided the excess still persists at the end of the month.

Section 4: Payment ~~Of~~ Bills

~~Amounts owed shall not be paid in cash.~~

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Section 5: Board ~~Of~~ Trustees

The Association shall also have a Board of Trustees. The Organization, Governance, and Powers of the Board of Trustees shall be as set forth in the Bylaws of the Board of Trustees.

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Section 6: Insurance

The Association shall carry Liability Insurance for itself, and for the Directors and Officers of the Association.

Article
10

Article 10: Board Of Trustees

Commented [AK6]: Pasted from the BoT Bylaws. For the changes, please see separate document with track changes for trustees version.

Section 1: Number And Qualifications

(A) The authorized number of the members of the Board of Trustees shall be five. Each member must have the following qualifications:

1. Has been a Voting Member of the Association for a period of at least three consecutive years as of the date of nomination.
2. Has been actively involved in the affairs of the Association. Active involvement is defined as:
 - i. He/she has served as a Director of the Association for at least one complete term of the Board of Directors, or as a Trustee of the Association or
 - ii. He/she must have been a financial contributor to the Association in the accumulated sum of \$5,000 or more in the past 5 years prior to the election.
3. Must be a financial supporter of the Association. Financial support is defined as:
 - i. He/she must contribute the required annual minimum eligibility amount for Trustees as resolved by the Board of Directors in the first two months of the membership period immediately preceding the election. This contribution is independent of the membership category.
 - ii. The Board of Directors may suspend the financial eligibility requirements should an emergency such as the one described in Article 6 Section 13(A) of the Bylaws occur.

(B) A currently serving Trustee must contribute at least the required minimum annual eligibility amount for Trustees as resolved by the Board of Directors each year in order to continue as a Trustee of the Association. The minimum contribution amount is independent of the membership level of the member (General or Senior).

(C) No two immediate family members (siblings, spouses, parents/children) can be on the Board of Directors and/or Board of Trustees concurrently.

(D) All members of the Board of Trustees must sign the arbitration agreement (§ Attachment A: Arbitration Clause for the Directors And Trustees) and acknowledge the conflict-of-interest policy annually (§ Article 14: Conflict of Interest Policy).

Section 2: Election And Term Of Office

- (A) Elections shall be held in conjunction with the annual elections of the Board of Directors.
- (B) The term of office for a Trustee of the Association shall be five years.
- (C) Nominations shall be conducted as provided for by "Special Committee, Nomination" in Article 8, Section 2 of the Bylaws of the Association.
- (D) The members of the Board of Trustees shall not be nominated from the current members of the Board of Directors or Board of Trustees. Former Directors and Trustees may become eligible to serve on the Board of Trustees if at least one year has passed since leaving their respective Board. A former Director or Trustee is eligible for nomination to the Board of Trustees during the "gap year" to serve in the following year, provided all other requirements are met. One shall not hold membership in both Boards at the same time.
- (E) Elections shall be held every year.
1. The position(s) of Trustees whose term has expired will be open for election. Trustees shall be elected from eligible candidates whose nominations have been received and accepted by the Election Committee.
 2. The Voting Procedure is to be determined by the Election Committee as prescribed in Article 5, Section 1(f) of the Bylaws of the Association
- (F) Newly-elected Trustees shall start their term of office in the month of January following the elections.
- (G) The members of the Board of Trustees shall appoint from among themselves a Chairperson, Vice-Chairperson, and Secretary.
1. The Chairperson shall preside at all meetings. In the absence of the Chairperson, the Vice Chairperson shall conduct the meeting.
 2. The Secretary shall keep the records including a book of minutes of all meetings of the Board of Trustees.

Section 3: Removal Of A Member Of The Board Of Trustees

- (A) A member of the Board of Trustees may be removed from office by the affirmative vote of two-thirds (2/3) of the voting members of the Association.
1. The balloting for removal may be done only at the time of the Annual Elections.

Section 4: Vacancies In The Board Of Trustees

- (A) Vacancies in the Board of Trustees shall exist on the death, resignation, removal or dismissal for failing to meet the qualifications of membership in Article 3, or under Sections 1 and 3 of this Article, of any Trustee.
- (B) The Board of Trustees may declare the office of a Trustee vacant under these conditions:
1. He/she is declared to be of unsound mind by an order of the court, or convicted of a felony.
 2. He/she does not accept the office within 60 days after notice of the candidate's election, either in writing or by attending a meeting of the Board of Trustees.
 3. A Trustee fails to attend three consecutive regular meetings, conducted every two months, without verbal or written permission from the Chairperson.

(C) Vacancies due to any of the above reasons shall be filled by a qualified person nominated by the remaining trustees, however;

1. At least three votes in favor are required.
2. The nominated Trustees' name shall be submitted to the Board of Directors of the Association for confirmation.
3. In case of rejection, another name may be submitted for confirmation.

(D) No more than two vacancies may be filled in any given year. In the event of more than two vacancies, a special election to fill the vacancies shall be held within 60 days.

(E) Persons so appointed to fill vacancies on the Board of Trustees shall hold office for the remainder of the term of the vacancy.

Section 5: Meetings Of The Board Of Trustees

(A) The Board of Trustees shall meet every two months on the date and day agreed upon by the Trustees.

(B) The location of the meetings shall be within the County of Santa Clara as designated from time to time by the Board of Trustees. If no meeting place is designated, then the meetings shall be held at the Principal Office of the Association. Trustees may participate in meetings and vote in person, by phone or electronically.

(C) Special meetings may be called by the Chairperson or any two members of the Board of Trustees and may be held at such locations as designated for regularly scheduled meetings.

(D) A special meeting requested by the Board of Directors must be called within 7 days. This request shall be in accordance with a motion made and carried at a meeting of the Board of Directors.

Section 6: Requirements Of An Act Of The Board Of Trustees In A Duly Called Meeting

(A) Every act done or decision made by at least three members of the Board of Trustees is an Act of the Board of Trustees, unless the law, the Articles of Incorporation of this Association, or these Bylaws require a greater number.

Section 7: Validity Of Board of Trustees Transactions During Special Meetings

(A) The transactions of any meeting of the Board of Trustees, however called and noticed or wherever held, are as valid as though the meeting had been duly held with these provisions:

1. Proper call and notice has been given
2. A quorum is present
3. Each of the Trustees not present signs, either before or after the meeting, a waiver of notice or a consent to hold the meeting, on approval of the minutes thereof.

(B) All such waivers, consents, or approvals shall be filed with the Association's records or made a part of the minutes of the meeting.

Section 8: Powers Of The Board Of Trustees

(A) Board of Trustees shall be involved in all matters related to:

1. The real estate
2. Any assets and/or funds in excess of \$25,000

(B) Any transactions dealing with selling or buying of assets, real estate or otherwise, shall be initiated by the Board of Directors only, but shall require Board of Trustees' approval.

1. 2.1 In order to receive consideration for such requests, a majority of the total number of the members of the Board of Directors must have voted in favor, regardless of the number of directors present and participating in the meeting.
2. 2.2 The vote of at least three members of the Board of Trustees will be required to approve such transactions.

(C) Board of Trustees cannot initiate any transactions.

(D) Any other single transaction, including building renovation, or an accumulation of smaller expenditures of a similar nature exceeding \$25,000 by the Board of Directors, requires the approval of at least three votes of the Board of Trustees.

(E) When an issue fails to get the approval of the Board of Trustees, the Board of Directors can put the same proposal to the Board of Trustees for reconsideration only after four-fifths (4/5) of the members of the Board of Directors vote in favor of the proposal.

(F) When an issue is submitted for such reconsideration, the request can be approved if at least three members of the Board of Trustees vote for it. If not approved:

1. The Board of Directors shall then have the right to:
 - i. Put the proposal on the ballot in the next election,
 - ii. or call a special election,
 - iii. or put the proposal to a special committee for reconsideration.
2. This special committee shall be composed of:
 - i. Three members of the Board of Directors selected by the Board of Directors,
 - ii. Three members of the Board of Trustees selected by the Board of Trustees and,
 - iii. Three members of the Association to be selected and agreed upon by the members of the Board of Directors and members of the Board of Trustees.
3. The Chairperson of this special committee shall be selected by these nine members of the special committee.
4. The decision of the two thirds (2/3) majority vote of this special committee shall resolve the issue and the offices of the Association, the Board of Directors or the Board of Trustees, as applicable, shall take all steps necessary to implement this decision.

(G) The Board of Trustees shall act as an arbitrator to resolve disputes arising between the Board of Directors and the Association's members subject to the following conditions:

1. The request for an arbitration shall come from
 - i. The Board of Directors or,
 - ii. By a petition of ten percent of the Association's membership.
2. Both the Board of Directors and the Association's members shall abide by the decision of the Board of Trustees.

(H) If five or more members of the Board of Directors resign or otherwise leave the Board, the Board of Trustees shall act as temporary members of the Board of Directors until the

Commented [AK7]: Rationale: If BOD increases number of directors to 12, then quorum can be met with 7 directors, and a resolution can be passed 5-2. If this clause was left with 5, then five directors could pass a real estate transaction (a plurality, but not a majority).

vacancies are filled.

1. The vacancies must be filled by election within 60 days.
 - i. Elections shall be held according to the Bylaws of the Association.
 - ii. Any issues regarding elections shall be decided by a majority vote of the Board of Directors.
2. In the interim, any other decision shall require approval of four-fifths (4/5) members of the Board of Directors.

(I) The Board of Trustees shall have a separate bank account requiring the signatures of the Chairperson of the Board of Trustees and a designated member of the Board of Directors.

1. The funds can only be transferred from this account to the Board of Director's account and shall require both signatures.
2. The Treasurer of the Association shall keep records of both accounts and provide Quarterly statements of each account to both the Board of Directors and the Board of Trustees.

(J) Funds in the Association's Operations account in excess of amount agreed to between the Boards of Directors and Trustees shall be transferred into the Board of Trustees Account. The procedures for transfer shall be decided by the two boards.

In the absence of such agreement, the excess amount is defined as \$25,000. The transfer shall be done within a period of one month from when the excess occurred, provided the excess still persists at the end of the month.

Section 9: Board Of Trustees Personal Liability

(A) The Trustees shall not be personally liable for the debts, liabilities or other obligations of the Association.

Section 10: Compensations, Remuneration, Wages, Etc.

(A) No member of the Board of Trustees shall receive any compensation from the Association for discharging their duties as a Trustee of the Association. Directors, Trustees, and their immediate family members may not be awarded zakat funds from the Association during their tenure as Directors or Trustees of the Association.

Section 11: Amendment Of Bylaws

(A) Amendments to this Article will be carried out according to Article 11 of the Bylaws.

Commented [AK8]: By incorporating these in the same document, 11(A) is now redundant

Article
11

Article 11: Amendment Of Bylaws

Section 1: Amendment Of Bylaws

Subject to any provisions of law applicable to the amendment of Bylaws of Non-Profit Corporations, the Bylaws provisions contained herein, may be altered, amended, or repealed, and new Bylaws adopted as follows:

- (A) ~~All provisions applicable to the Board of Trustees, by first being approved by a two-thirds majority of the Board of Trustees, and,~~
- (B) All provisions other than those applicable to the Board of Trustees, ~~by~~ first being approved by a two-thirds majority of the Board of Directors, and then,
- (C) By vote or written assent of a two-thirds majority vote of the Voting Members present at a meeting duly called and noticed for the purpose of amending these Bylaws.

The original, or a copy of the Bylaws as amended, or otherwise altered to date, certified by the Secretary of the ~~Association~~, shall be recorded and kept in a book which shall be kept in the Principal Office of the ~~Association~~, and such book shall be open to inspection by the members upon request to the Secretary.

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Article
12

Article 12: Prohibition Against Sharing Corporate Profits

Section 1: Corporate Profits

No member, Director, Officer, Employee, or other person connected with this Association, or any other private individual, shall receive at any time, any of the net earnings or pecuniary profit from the operations of the Association, provided that this provision shall not prevent payment to any such person of reasonable compensation for services rendered to or for the Association in effecting any of its purposes as designated in the Articles of Incorporation, and as more specifically, designed or fixed by resolutions 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 Association.

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Section 2: Dissolution

All members of the Association shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the Association, whether voluntary or involuntary, the assets of the Association, after all debts having been satisfied, then remaining in the hands of the Board of Directors, shall be distributed as required by the Articles of Incorporation of this Association, and not otherwise.

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Article
13

Article 13: Distribution Of Income And Prohibited Transactions

Section 1: Limitations And Restrictions

Notwithstanding any other provision in these Bylaws, the Association shall be subject to the following limitations and restrictions:

- (A) The Association shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4924 of the Internal Revenue Code of 1954, as amended from time to time.
- (B) The Association shall not engage in any act of self-dealing as defined in Section 4941[d] of the Internal Revenue Code of 1954, as amended from time to time.
- (C) The Association shall not retain any excess business holdings as defined in Section 4943[c] of the Internal Revenue Code of 1954, as amended from time to time.
- (D) The Association shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, as amended from time to time.
- (E) The Association shall not make any taxable expenditure as defined in Section 4945[d] of the Internal Revenue Code of 1954, as amended from time to time.

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Article 14: Conflict Of Interest Policy

Section 1: Purpose

The purpose of a conflict-of-interest policy is to protect this tax-exempt organization's (Association) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association 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 board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- (B) **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
- a. An ownership or investment interest in any entity with which the Association has a transaction or arrangement.
 - b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.
 - d. Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial. A financial interest isn't necessarily a conflict of interest. Under Section 3(2) of this Article, 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 governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(C) Procedures for Addressing the Conflict of Interest

- a. 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.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Association 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.
- d. If a more advantageous transaction or arrangement isn't 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 Association'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 Conflict-of-Interest Policy

- a. 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.
- b. 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: Record Of Proceedings

- (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 boards' 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: Compensation

- (A) A voting member of the governing board who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- (B) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- (C) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6: Reporting

(A) 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 conflict-of-interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Association is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

(B) Periodic Reviews: To ensure the Association operates in a manner consistent with charitable purposes, and doesn't 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 Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't 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 Section 7 of this Article, the Association 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.

**Arbitration Clause For The Board Of Directors
And Board Of Trustees
Of The South Bay Islamic Association**

**ATTACHMENT "A" TO THE BYLAWS
OF THE
SOUTH BAY ISLAMIC ASSOCIATION**

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© South Bay Islamic Association,
2345 Harris Way
San Jose, CA 95131.

SOUTH BAY ISLAMIC ASSOCIATION

ARBITRATION CLAUSE FOR THE BOARD OF DIRECTORS AND TRUSTEES

In the event that I have any claim against or dispute or differences with the South Bay Islamic Association (henceforth SBIA) or any other entity operated and controlled by SBIA or if I am involved in any controversy arising out of or involving the Articles of Incorporation, Bylaws, or decisions of the SBIA and/or Committees formed pursuant to the Bylaws or by the governing body, I agree to submit any such matter to final and binding arbitration pursuant to the provisions of the California Code of Civil Procedure, Section 1280 et seq., or amended statutes, within one month of the time such matter arises.

I agree that such arbitration shall be the exclusive forum for any such dispute. If SBIA does not receive a written request for arbitration from me within 30 days from the date the dispute arose, I agree that I will have waived any right to raise any claim, in any form, arising out of such dispute.

I further agree that an individual member of the SBIA Board of Directors with any such dispute or difference with the Board may approach the Board of Trustees for resolution by arbitration. Likewise, an individual member of the SBIA Board of Trustees may approach the Board of Directors for arbitration of any dispute or difference with the Board of Trustees.

I further expressly agree that in arbitration my exclusive remedy shall be:

- a) To seek rescission of any act that I deem to have been wrongly undertaken by SBIA, or
- b) To force SBIA to perform tasks required of it under its Articles of Incorporation, Bylaws and any effective resolutions.

I expressly waive any claim for damages, actual or punitive, save and except to the extent of membership dues paid by me.

I understand that by executing this agreement I waive my right to a trial by a judge and/or jury.

Should any of the provisions of this agreement be unenforceable, the remaining provisions shall remain in full force and in effect and the agreement shall be construed in the most favorable manner so that any dispute/difference involving the parties is resolved by binding arbitration.

I understand and agree that this agreement represents and expresses the complete agreement between SBIA and me regarding any acts of omissions of SBIA.

I hereby accept the terms and conditions of this agreement in exchange for membership privileges in this Association.

Executed in Santa Clara County, California on (Date) _____

By (First and Last Name) _____

Director/Trustee, South Bay Islamic Association

Arbitration Clause For Members
Of The South Bay Islamic Association

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ATTACHMENT "B" TO THE BYLAWS
OF THE
SOUTH BAY ISLAMIC ASSOCIATION

© South Bay Islamic Association,
2345 Harris Way,
San Jose, CA 95131.

SOUTH BAY ISLAMIC ASSOCIATION

ARBITRATION CLAUSE FOR MEMBERS

In the event that I have any claim against or dispute or differences with the South Bay Islamic Association (henceforth SBIA) or any other entity operated and controlled by SBIA or if I am involved in any controversy arising out of or involving the Articles of Incorporation, Bylaws, or decisions of the SBIA and/or Committees formed pursuant to the Bylaws or by the governing body, I agree to submit any such matter to final and binding arbitration pursuant to the provisions of the California Code of Civil Procedure, Section 1280 et seq., or amended statutes, within one month of the time such matter arises.

I agree that such arbitration shall be the exclusive forum for any such dispute. If SBIA does not receive a written request for arbitration from me within 30 days from the date the dispute arose, I agree that I will have waived any right to raise any claim, in any form, arising out of such dispute.

I further expressly agree that in arbitration my exclusive remedy shall be:

- c) To seek rescission of any act that I deem to have been wrongly undertaken by SBIA, or
- d) To force SBIA to perform tasks required of it under its Articles of Incorporation, Bylaws and any effective resolutions.

I expressly waive any claim for damages, actual or punitive, save and except to the extent of membership dues paid by me.

I understand that by executing this agreement I waive my right to a trial by a judge and/or jury.

Should any of the provisions of this agreement be unenforceable, the remaining provisions shall remain in full force and in effect and the agreement shall be construed in the most favorable manner so that any dispute/difference involving the parties is resolved by binding arbitration.

I understand and agree that this agreement represents and expresses the complete agreement between SBIA and me regarding any acts of omissions of SBIA.

I hereby accept the terms and conditions of this agreement in exchange for membership privileges in this Association.

Executed in Santa Clara County, California on (Date) _____

By (First and Last Name) _____

Member, South Bay Islamic Association

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