
BYLAWS
(AS AMENDED SEPTEMBER 9, 2016)
OF
ROTARY INTERNATIONAL DISTRICT 5280 CHARITABLE FOUNDATION

**BYLAWS
(AS AMENDED SEPTEMBER 9, 2016)
OF
ROTARY INTERNATIONAL DISTRICT 5280 CHARITABLE FOUNDATION**

PURPOSE

The purpose of the corporation shall be to promote the ideals of ROTARY INTERNATIONAL through the promotion of charitable activities with ROTARY INTERNATIONAL DISTRICT 5280.

**ARTICLE 1
OFFICES**

1.1 **PRINCIPAL OFFICE.** The principal office of the corporation for its transaction of business is located in the County of Los Angeles, State of California.

1.2 **CHANGE OF ADDRESS.** The Board of Directors is hereby granted full power and authority to change the principal office of the corporation from one location to another within the County of Los Angeles, State of California. Any such change shall be noted by the Secretary of the Board of Directors, but shall not be considered an amendment of these Bylaws.

**ARTICLE 2
MEMBERS**

2.1 **MEMBERS PROHIBITED.** The corporation shall have no members.

2.2 **EFFECT OF PROHIBITION.** Any action, which would otherwise require approval by a majority of all members, shall require only approval of the Board of Directors. All rights, which would otherwise vest under the California Nonprofit Benefit Corporations Law in the members, shall vest in the Directors.

**ARTICLE 3
DIRECTORS**

3.1 **POWERS.** Subject to the provisions of the California Corporations Code, and any limitations in the Articles of Incorporation or these Bylaws, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

3.2 **NUMBER.** The corporation shall have eleven (11) voting Directors and one (1) non-voting Director. Collectively, the Directors shall be known as the Board of Directors.

3.3 **QUALIFICATION.** All Directors shall be natural persons who are (a) members (but not honorary members) in good standing of a Rotary Club in ROTARY INTERNATIONAL DISTRICT 5280 and (b) a Past President of any Rotary Club (except those Directors serving by virtue of their office in ROTARY INTERNATIONAL DISTRICT 5280). The Directors shall be persons who have qualifications

and skills related to, and an active interest in, the purpose of the corporation. The Directors shall be persons who are generally available to manage and direct the affairs of the corporation.

No more than forty-nine percent (49%) of the persons serving on the Board of Directors may be interested persons. An interested person is (a) a person compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as director; and (b) a brother, sister, ancestor, descendent, spouse, brother-in-law or sister-in-law of such a person. However, any violation of the provisions of this Section 3.3 shall not affect the validity or enforceability of any transaction entered into by the corporation.

3.4 REPRESENTATION. The Directors shall be selected to represent all of the Rotary Clubs in ROTARY INTERNATIONAL DISTRICT 5280. The District Governor shall serve a one-year term as a non-voting Director by virtue of his or her office in ROTARY INTERNATIONAL DISTRICT 5280. The SAG for Community Service (or any comparable position within ROTARY INTERNATIONAL DISTRICT 5280 or the assistant to such a person) shall serve as a voting Director by virtue of his or her office in ROTARY INTERNATIONAL DISTRICT 5280. One Director shall be elected by the Board of Directors, from any Rotary Club within ROTARY INTERNATIONAL DISTRICT 5280 at-large, for a one-year term, to fill the position of Treasurer for the ROTARY INTERNATIONAL DISTRICT 5280 Charitable Foundation. The position of Treasurer for the ROTARY INTERNATIONAL DISTRICT 5280 Charitable Foundation shall be occupied by someone other than the Treasurer for ROTARY INTERNATIONAL DISTRICT 5280.

The remaining nine (9) Directors shall be elected by the Board of Directors, shall serve three-year staggered terms and shall include the following: (a) each of six (6) Directors selected from one Rotary Club within each of the six (6) geographical areas set forth in the POLICIES AND GUIDELINES FOR ADMINISTERING ROTARY INTERNATIONAL DISTRICT 5280 and (b) each of three (3) Directors selected from one small-size Rotary Club, one medium-size Rotary Club and one large-size Rotary Club, as set forth in the POLICIES AND GUIDELINES FOR ADMINISTERING ROTARY INTERNATIONAL DISTRICT 5280. One of the ten (10) elected Directors must be a Past District Governor. No more than one (1) of the ten (10) elected Directors may represent any single Rotary Club in ROTARY INTERNATIONAL DISTRICT 5280.

3.5 TERMS OF OFFICE. Each Director shall hold office for a three-year term and until such Director's successor is elected and qualified under Section 3.3 herein, provided, however, that Directors serving by virtue of their offices in ROTARY INTERNATIONAL DISTRICT 5280 shall serve one-year terms. No Director may serve consecutive three-year terms, provided, however, that if a Director is elected or appointed to serve a term of less than three (3) years, then that Director shall be eligible to serve a full three-year term immediately following that Director's initial term of fewer than three (3) years.

The initial Board of Directors shall be staggered so that approximately one-third (1/3) of the Directors will be elected for three-year terms, approximately one-third (1/3) of the Directors will be elected for two-year terms, and approximately one-third (1/3) of the Directors will be elected one-year terms. In the event a Director is removed at a special meeting of the Directors called and held as prescribed by Section 3.9.5 herein, such Director shall hold office until his or her removal and his or her successor is elected and qualified.

Each Director's term of office shall commence on July 1st of the year in which such Director is elected and, unless removed, shall end on June 30th of his term of office.

3.6 NOMINATION. Any person, qualified to be a Director under Section 3.3 herein, shall be nominated as follows: the Chair, Vice Chair, Secretary, Treasurer and those Directors whose terms are

expiring will recommend, prior to the Annual Meeting, a slate of Directors, each of which would fill the seat of each respective Director whose term is expiring.

3.7 ELECTION. The Directors shall be elected at each annual meeting as prescribed by Section 3.9.3 herein, or at any regular meeting, or at any special meeting held for that purpose, or by written ballot as authorized by Section 3.10 herein. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected.

3.8 COMPENSATION. The Directors shall not receive compensation for their services as Directors or Officers. The Directors may receive reimbursement of expenses, as the Board of Directors may, from time to time, determine to be just and reasonable expenses is adopted.

3.9 MEETINGS.

3.9.1 CALL OF MEETING. Meeting of the Board of Directors may be called by the Chair, any Vice Chair, the Secretary, or any two (2) Directors.

3.9.2 PLACE OF MEETING. All meetings of the Board of Directors shall be held at the principal office of the corporation as specified in Sections 1.1 and 1.2 herein, or at such other place as determined from time to time by resolution of the Board of Directors.

3.9.3 ANNUAL MEETING. The annual meeting of the Board shall be held, without call or notice, at the principal office of the corporation or such other place as determined by resolution of the Board of Directors on such date and at such as the Board of Directors may, from time to time, fix for each annual meeting.

3.9.4 TIME OF REGULAR MEETINGS. Regular meetings of the Board shall be held, without call or notice, at the principal office of the corporation or such other place as determined by resolution of the Board of Directors on such date and at such as the Board of Directors may, from time to time, fix for each annual meeting.

3.9.5 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chair, any Vice Chair, the Secretary or any two (2) Directors. Special meetings shall be held, upon a four-day written notice via email or two-day's prior telephonic notice. Notice of the special meeting need not be given to any Director who signs a waiver of notice, a written consent to the holding of the meeting, or approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting prior thereto, or at the meeting's commencement, the lack of such notice to such Director.

3.9.6 QUORUM. A majority of the authorized number of voting Directors constitutes a quorum of the Board of Directors for the transaction of business, except as hereinafter provided.

3.9.7 TRANSACTIONS OF BOARD OF DIRECTORS. Except as otherwise provided in the Articles of Incorporation, in these Bylaws, or by law, every act or decision made by a majority of the Directors present at a meeting duly held, at which a quorum is present, is the act of the Board of Directors, provided, however, that at any meeting at which a quorum is initially present, the Board of Directors may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such a meeting.

3.9.8 CONDUCT OF MEETINGS. The Chair, or in his or her absence, the Vice Chair, or in his or her absence, any Director selected by the Directors present, shall preside at the meetings of the Board of Directors. The Secretary of the corporation or, in the Secretary's absence, any person appointed by the presiding officer, shall take minutes of the meeting. Members of the Board of Directors may participate in a meeting through use of conferencing by telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Such participation shall constitute personal presence in the meeting.

3.99 ADJOURNMENT. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time or place must be given, prior to the time of the continued meeting, to the Directors who were not present at the time of adjournment.

3.10 ACTION WITHOUT MEETING. Any action that the Board of Directors is required or permitted to take may be taken without a meeting, if all members of the Board of Directors consent in writing to the action, provided, however, that the consent of any Director who has a material financial interest in a transaction to which the corporation is a party and is an "interested Director," as defined in California Corporations Code Section 5233, shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board of Directors. All such consents shall be filed with the minutes of the proceedings of the Board of Directors.

3.11 REMOVAL OF DIRECTORS.

3.11.1 REMOVAL FOR CAUSE. The Board of Directors shall declare vacant the office of a Director on the occurrence of any of the following events:

3.11.1.1 UNSOUND MIND. The Director has been declared of unsound mind by a final order of the court;

3.11.1.2 FELONY CONVICTION. The Director has been convicted of a felony;

3.11.1.3 BREACH OF FIDUCIARY DUTY. The Director has been found by a final order or judgment of any court to have breached duties imposed by the California Nonprofit Public Benefit Corporation Law;

3.11.1.4 FAILED ATTENDANCE REQUIREMENTS. The Director has failed to attend three (3) consecutive meetings of the Board of Directors and the Board of Directors has not excused any of such absences, which excused absentee may only be given as the result of disability, severe illness, family emergency, or other similar extenuating circumstances; or

3.11.1.5 LOSS OF GOOD STANDING. The Director ceases to be a member in good standing in a Rotary Club in ROTARY INTERNATIONAL DISTRICT 5280.

3.11.2 REMOVAL WITHOUT CAUSE. Any or all of the Directors may be removed without cause, if such removal is approved by a majority of the Board of Directors then in office.

3.12 RESIGNATION OF DIRECTOR. Any Director may resign effective upon giving written notice to the Chair, the Secretary, or the Board of Directors of the corporation. The resignation shall be effective when the notice is given, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected in advance, to take

office when the resignation becomes effective. Except on notice to the Attorney General of California, no Director may resign if the corporation would be left without a duly elected Director or Directors.

3.13 VACANCIES ON THE BOARD.

3.13.1 CAUSES. Vacancies on the Board of Directors shall exist on the death, resignation, or removal of any Director, whenever the number of Directors authorized is increased, and on the failure of the Board of Directors in any election to elect the full number of Directors authorized.

3.13.2 FILLING VACANCIES BY DIRECTORS. Vacancies on the Board of Directors may be filled by a majority vote of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director.

ARTICLE 4 COMMITTEES

4.1 COMMITTEES OF DIRECTORS. The Board of Directors may, by resolution adopted by a majority of the number of Directors then in office, provided that a quorum is present, create one (1) or more committees (including an executive committee), each consisting of two (2) or more Directors, to serve at the pleasure of the Board of Directors. Appointments to such committees shall be by a majority vote of the Directors then in office. The Board of Directors may appoint one (1) or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any committee, to the extent provided in the resolution of the Board of Directors, shall have all the authority of the Board of Directors, except with respect to:

4.1.1 The approval of any action which, under the California Corporations Code, also requires approval of the Board of Directors;

4.1.2 The filling of vacancies on the Board of Directors or any committee which has the authority of the Board of Directors;

4.1.3 The fixing of compensation of the Directors for serving on the Board or on any committee;

4.1.4 The amendment or repeal of any Bylaws or the adoption of new Bylaws;

4.1.5 The amendment or repeal of any resolution of the Board of Directors, which by its express terms is not so amendable or repealable;

4.1.6 The appointment of any other committees of the Board of Directors or the members of these committees;

4.1.7 The expenditure of corporate funds to support a nominee for Director after are more people nominated for Director than can be elected; or

4.1.8 The approval of any self-dealing transaction, except as provided in the California Corporations Code Section 5233(d)(3).

4.2 EXECUTIVE COMMITTEE. The corporation shall have an Executive Committee, which shall be composed of all of the Officers of the corporation. Subject to the provisions of Section 4.1 herein, the Executive Committee shall have all of the powers of the Board of Directors.

4.3 OTHER COMMITTEES. The requirements of Section 4.1 herein shall not apply to any committee which does not exercise authority of the Board of Directors.

4.4 MEETINGS AND ACTIONS OF COMMITTEES. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Article 3 relating to meetings and actions of the Board of Directors, with such changes therein as are necessary to substitute the committee and its members for the Board of Directors and its members, except that (a) the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee; (b) special meetings of committees may also be called by resolution of the Board of Directors; (c) notice of special meetings of committees shall also be given to all alternate members who shall have right to attend all meetings of the committees. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE 5 OFFICERS

5.1 NUMBER AND TITLES. The officers of the corporation shall be Chair, Vice Chair, Secretary, Treasurer and such other officers with such titles and duties as shall be determined by the Board of Directors, as may be necessary to enable the corporation to execute instruments. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as Chair.

5.2 ELECTIONS. The officers shall be chosen by and serve at the pleasure of the Board of Directors, subject to the rights, if any, of an office under any contract of employment. Officers shall be eligible for re-election without limitation on the number of terms they may serve. The Chair, Vice Chair, Secretary and Treasurer shall be elected from members of the Board of Directors. Other officers need not be members of the Board of Directors. Each officer shall hold office until the next annual meeting of the Board of Directors as prescribed by Section 3.9.3 herein, and until each such officer's successor is elected and qualifies.

5.3 SUBORDINATE OFFICERS. The Board of Directors may appoint or may confer, upon any officer or officers of the corporation, the power to appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

5.4 REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by the vote of the Board of Directors then in office. Or, any officer may be removed, either with or without cause, by any officer upon whom such power of removal may be conferred by the Board of Directors, except in case of an officer chosen by the Board of Directors.

At any time by giving written notice to the corporation, any officer may resign, without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party,

5.5 VACANCIES. A vacancy in any office because of death, resignation, removal or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office.

5.6 CHAIR AND CHIEF EXECUTIVE OFFICER. Subject to the control of the Board of Directors, the Chair shall be the Chief Executive Officer and shall have general supervision, direction and control of the business and officers of the corporation. He or she shall be Chair of the Executive Committee. He or she shall be ex-officio member of all of the standing committees, if any, of the Board of Directors. He or she shall have the general powers and duties of management usually vested in the office of Chief Executive Officer of a corporation and shall have such other powers or duties as may be presented by the Board of Directors or these Bylaws. Subject to such limitations as may be imposed by the Board of Directors, any powers or duties vested in the Chair may be delegated by the Chair to such subordinates as he or she may choose.

5.7 VICE CHAIR. In the absence or disability of the Chair, the Vice Chair shall perform all of the duties of the Chair and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chair. The Vice Chair shall have such other powers and perform such other duties, as, from time to time, may be prescribed by the Board of Directors, these Bylaws or the Chair. The Vice Chair shall serve as a member of the Executive Committee.

5.8 SECRETARY. The Secretary shall keep, or cause to be kept, at the principal executive office of the corporation, or at such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of the Board of Directors and committees of the Board of Directors, with the time and place of holding, whether regular or special and, if special, how the special meeting was authorized and noticed, the names of those present at the Board of Directors meetings or committee meetings, and the proceedings thereof.

The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by these Bylaws, or by law, to be given. He or she shall keep the seal of the corporation, if the corporation shall adopt one, in safe custody. He or she shall have such other powers and perform such other duties, as may be prescribed by the Board of Directors or these Bylaws.

The Secretary shall be a member of the Executive Committee.

5.9 TREASURER AND CHIEF FINANCIAL OFFICER. The Treasurer shall be the Chief Financial Officer and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, and/or disbursements. The books of account shall at all reasonable times be open to inspection by any Director.

The Treasurer shall deposit all monies and other valuables in the name, and to the credit, of the corporation, with such depositories as may be designated by the Board of Directors and shall have the authority to execute and affix the endorsement of the corporation upon any negotiable instrument for the purpose of making any such deposit. He or she shall render to the Chair and Board of Directors, whenever they request, an account of all of his or her transactions as Treasurer of the financial condition of the corporation and shall have such other powers, and perform such other duties, as may be prescribed by the Board of Directors or these Bylaws.

The Treasurer shall be a member of the Executive Committee.

5.10 ASSISTANTS. If an assistant to any officer shall be appointed, such assistant officer may exercise any of the powers of his or her superior officer, as provided in these Bylaws or as authorized by the Board of Directors, and shall perform such other duties as are imposed upon him or her by these Bylaws or the Board of Directors.

ARTICLE 6
INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

6.1 **DEFINITIONS.** For the purpose of this Article 6:

6.1.1 “Agent” means any person who is, or was, a director, officer, employee or agent of the corporation or is, or was, serving at the request of the corporation as a director, officer, employee or agent of another or foreign corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation that was a predecessor corporation of the corporation or of another enterprise at the request of the predecessor corporation.

6.1.2 “Proceeding” means any threatened, pending or completed action, whether civil, criminal, administrative or investigative.

6.1.3 “Expenses” includes, without limitation, all attorney fees, costs and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his or her position or relationship as agent, as well as all attorney fees, costs and any other expenses incurred in establishing a right to indemnification under this Article 6.

6.2 **SUCCESSFUL DEFENSE BY AGENT.** To the extent an agent of the corporation has been successful on the merits in the defense of any proceeding referred to in this Article 6, or in the defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him or her, the provisions of Section 6.3 herein shall determine whether the agent is entitled to indemnification.

6.3 **ACTIONS BROUGHT BY PERSONS OTHER THAN THE CORPORATION.** Subject to the required findings to be made pursuant to Section 6.5 herein, the corporation shall indemnify any person who was, is, or is threatened to be made, a party to any proceeding, other than an action brought by, or on behalf of, the corporation or by an officer, director or person granted relator status by the Attorney General, or by the Attorney General on the ground that the defendant Director was or is engaging in self-dealing within the meaning of California Corporation Code Section §5233, or by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of the fact such person is or was an agent of the corporation, for all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connections with proceeding.

6.4 **ACTIONS BROUGHT BY OR ON BEHALF OF THE CORPORATION.**

6.4.1 **CLAIMS SETTLED OUT OF COURT.** If any agent settles or otherwise disposes of a threatened or pending action, brought by or on behalf of the corporation, with or with court approval, the agent shall receive no indemnification for either (a) amounts paid pursuant to the terms of the settlement or other disposition or (b) for any expenses incurred in defending against the proceeding, unless it is settled with the approval of the Attorney General.

6.4.2 **CLAIMS AND SUITS AWARDED AGAINST AGENT.** The corporation shall indemnify any person who was, is or is threatened to be made a party to any threatened, pending or completed action brought by or on behalf of the corporation by reason of the fact the person is or was an

agent of the corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided both of the following conditions are met:

6.4.2.1 The determination of good faith conduct, required by Section 6.5 herein, must be made in the manner provided for in that Section 6.5; and

6.4.2.2 Upon application, the court in which the action was brought must determine, in view of all of the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred; and, if the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

6.5 DETERMINATION OF AGENT'S GOOD FAITH CONDUCT. The indemnification granted to an agent, pursuant to Sections 6.3 and 6.4 herein, is conditioned on the following:

6.5.1 REQUIRED STANDARD OF CONDUCT. The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner she or she believed to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption the person did not act (a) in good faith, (2) in a manner which he or she reasonably believed to be in the best interest of the corporation, nor (3) in a manner that he or she had reasonable cause to believe his or her conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful.

6.5.2 MANNER OF DETERMINATION OF GOOD FAITH CONDUCT. The determination that the agent did act in a manner complying with Section 5.1 herein shall be made by:

6.5.2.1 The Board of Directors, by a majority vote of a quorum, consisting of Directors who are not parties to the subject proceeding; or

6.5.2.2 The court in which the proceeding is or was pending; such determination by the court may be made on application brought by the corporation, the agent or an attorney or anyone rendering a defense to the agent, whether or not the application brought, by the agent, attorney or anyone rendering a defense to the agent, is opposed by the corporation.

6.6 LIMITATIONS. No indemnification or advance shall be made under this Article 6, except as provided in Sections 6.2 or 6.5.2.2 herein, in any circumstances when it appears:

6.6.1 That the indemnification or advance would be inconsistent with (a) the corporation's Articles of Incorporation, (b) these Bylaws, (c) a resolution of the Board of Directors, or (d) an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding, in which the expenses were incurred or other amounts paid, which prohibits or otherwise limits indemnification; or

6.6.2 That the indemnification would be inconsistent with any condition expressly imposed by a court approving a settlement.

6.7 ADVANCE OF EXPENSES. Expenses incurred in defending any proceeding may be advanced by the corporation before the final disposition of the proceeding, on receipt of an undertaking by, or on behalf of the agent, to repay the amount of the advance, unless it is determined ultimately the agent is entitled to be indemnified as authorized in this Article 6.

6.8 **CONTRACTUAL RIGHTS OF NON-DIRECTORS AND NON-OFFICERS.** Nothing contained in this Article 6 shall affect any right to indemnification, to which persons other than directors and officers of the corporation, or any subsidiary thereof, may be entitled by contract or otherwise.

6.9 **INSURANCE.** The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance, on behalf of any agent of the corporation, against any liability other than for violating provisions against self-dealing asserted against or incurred by the agent in such capacity or arising of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against that liability under the provisions of this Article 6.

ARTICLE 7 CORPORATE RECORDS, REPORTS AND SEAL

7.1 **KEEPING RECORDS:** The corporation shall keep adequate and correct records of account and minutes of the proceedings of its Board of Directors and committees of the Board of Directors. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

7.2 **INSPECTION BY DIRECTORS:** Every Director shall have the absolute right to inspect, at any reasonable time, all books, records and documents of every kind, as well as the physical properties of the corporation and each of its subsidiary corporations. Any inspection by a Director may be made in person, or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

7.3 **ANNUAL REPORT.** The Board of Directors shall cause an annual report to be sent to the Directors within one hundred twenty (120) days after the end of the corporation's fiscal year. The annual report shall be accompanied by (a) any report on the corporation by independent accountants, or (b) if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

This requirement of an annual report shall not apply if the corporation receives less than twenty-five thousand dollars (\$25,000) in gross receipts during the fiscal year, provided, however, the information specified below for inclusion in an annual report must be furnished annually to all Directors who request such report in writing.

The annual report shall contain the following information, in appropriate detail;

7.3.1 The assets and liabilities, including trust funds, of the corporation, as of the end of the fiscal year;

7.3.2 The principal changes in assets and liabilities, including trust funds;

7.3.3 The revenues or receipts of the corporation, both unrestricted and restricted to particular purposes;

7.3.4 The expenses or disbursements of the corporation, for both general and restricted purposes; and

7.3.5 Any information required by Section 7.4 herein.

7.4 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATION. The corporation shall annually furnish, to its Directors, a statement of any transaction or indemnification described in California Corporations Code §6322, if such transaction or indemnification took place. Such annual statement shall be affixed to, and sent with, the annual report described in Section 7.3 herein.

7.5 CORPORATION SEAL. The Board of Directors may adopt a corporate seal. The Secretary of the corporation shall have the custody of the seal, if any, and affix it in all appropriate cases to all corporate documents. Failure to affix the seal shall not, however, affect the validity of any instrument.¹

ARTICLE 8 GENERAL CORPORATE MATTERS

8.1 CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS. All checks, drafts, or other orders for payment of money, or notes or other evidences of indebtedness shall be issued or endorsed by such person or persons, and in such manner, as shall be determined from time to time by resolution of the Board of Directors.

8.2 CORPORATE CONTRACTS AND INSTRUMENTS: HOW EXECUTED. The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers and/or agent or agents in the name of, and on behalf of, the corporation, with such authority that may be general or confined to specific instances. Unless such authority is ratified by the Board of Directors or set forth in these Bylaws, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract, or engagement to pledge its credit or to render it liable, for any purpose or for any amount.

8.3 FISCAL YEAR. The fiscal year of the corporation shall commence on July 1st and end on June 30th of each year.

ARTICLE 9 AMENDMENTS

9.1 AMENDMENT. These Bylaws may be adopted, amended or repealed by a vote of a majority of the Board of Directors then in office.

9.2 RECORD OF AMENDMENTS. Whenever an amendment or new Bylaw is adopted, it shall be copied in the original Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal and the date of the meeting at which the repeal was enacted, or the date the written consent was effective, shall be stated in the original Bylaws.