

**BYLAWS
OF**

**Burbank Association of Realtors Community Services Foundation
A California Nonprofit Public Benefit Corporation**

**ARTICLE I
NAME OF CORPORATION**

The name of this corporation is the BURBANK ASSOCIATION OF REALTORS COMMUNITY SERVICE FOUNDATION.

**ARTICLE II
DEFINITIONS**

- “Board of Directors”** shall refer to the governing body of this Corporation.
- “Director”** shall refer to those persons elected to serve on the Board of Directors.
- “Association”** shall refer to the Burbank Association of Realtors, Inc.
- “Ex Officio Director”** shall refer to a Director appointed by the Association.
- “Corporation” or “Foundation”** shall refer to the Burbank Association of Realtors Community Service Foundation, a California Nonprofit Public Benefit Corporation.

**ARTICLE III
PURPOSES and LIMITATIONS**

This corporation has been formed for charitable purposes to enhance the ~~environment~~ Burbank Community, to improve social, educational, cultural or economic well-being of individuals or groups within the greater Burbank community ~~the territory assigned to the Burbank Association of Realtors by the National Association of Realtors,~~ and/or to improve the real estate profession or the private ownership of real property.

In addition, this corporation is formed for the purposes of performing all things incidental to, or appropriate in, the achievement of the foregoing purposes. However, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary charitable purposes.

This corporation shall hold and may exercise all such powers as may be conferred upon a nonprofit corporation by the laws of the State of California and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the corporation.

In no event shall the corporation engage in activities which are not permitted to be carried on by a corporation exempt under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE IV PRINCIPAL OFFICE

The principal office of the corporation shall be located in the City of Burbank, in the County of Los Angeles, in the State of California. The Board of Directors may at any time, or from time to time, change the location of the principal office from one location to another within said city and county.

The Board of Directors may at any time establish branch offices at any place where the corporation is qualified to do business.

ARTICLE V NONPARTISAN ACTIVITIES

This corporation has been formed under the California Nonprofit Public Benefit Corporation Law (the "Law") for the charitable purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation. The corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE VI DEDICATION OF ASSETS

The properties and assets of this nonprofit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, director or officer of this corporation. On liquidation or dissolution, all remaining properties and assets of the corporation shall be distributed and paid over to an organization dedicated to like charitable purposes which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE VII MEMBERSHIP

This corporation shall have no members as that term is defined in California Nonprofit Public Benefit Corporation Law. The corporation may from time to time use the term "members" to refer to persons associated with it, but such persons shall not be members as defined in California Corporations Code.

**ARTICLE VIII
BOARD OF DIRECTORS**

**Section 1.
Powers.**

A. General Corporate Powers

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the Articles of Incorporation and 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.

The Board of Directors may delegate the management of the day-to-day operation of the business of the corporation to an Executive Director hired by the Board to act under the ultimate direction of the Board of Directors.

B. Specific Powers.

Without prejudice to the General Powers set forth in ARTICLE VIII, Section 1A of these Bylaws, but subject to the same limitations, the Directors shall have power to:

1. Appoint and remove the Corporation's officers, directors, agents, and employees; prescribe powers and duties for them that are consistent with law, the Articles of Incorporation and with these Bylaws; and to fix compensation and/or reimbursement as appropriate and to require of them faithful performance of their duties.

2. Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

3. Directors may annually disburse for proper purposes within the limitations of the Law and regulatory bodies, any or all of the income received by the Foundation within the fiscal year, and in addition, may distribute a percentage of the corpus of the Foundation's assets, up to a figure set by resolution of the Board and reaffirmed annually. The Directors may, by two-thirds (2/3) majority resolution, set a portion of the corpus in reserve and allow only the interest earned on this money to be spent by the Foundation to assure the continuing ability to fund its charitable purposes. The reserve may not be reduced below the fixed amount except upon specific approval by the Board.

**Section 2.
Number of Directors and Qualifications.**

The authorized number of Directors of the corporation shall not be less than seven (7) nor more than eleven (11), up to three (3) of whom shall be Ex Officio Directors appointed by the Burbank Association of Realtors, until changed by amendment of these bylaws. The Board of Directors

shall fix the exact number of Directors by resolution from time to time, within these limits. "Ex Officio" Directors shall have the same full voting rights and privileges as all other Directors, with the exception of the President who only votes in the event of a tie.

Board members shall be limited to Realtors and/or affiliate members of the Burbank Association of Realtors or involved in the Burbank community. No more than one-third (1/3) of the seated Board Members may be affiliated with the same company. The corporation intends that the Board of Directors shall collectively represent a diversity of relevant backgrounds and skills to enable the Board of Directors to make informed, well balanced decisions on the economic viability and social impact of corporate activities.

No more than forty-nine (49%) of the persons serving on the Board may be "interested persons", defined as (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether full or part-time employee, independent contractor or otherwise, and (b) any brother, sister, ancestor, descendant, spouse or in-law of such person. Violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation, however.

Section 3. Election, Designation, and Term of Office.

A. Nomination and Election

With the exception of filling a vacancy on the Board of Directors caused by the death, resignation or removal of a Director, the Board shall hold elections at its annual meeting prior to December 31 of each year. Candidates must receive a majority vote of seated Board Members to be elected. Elections shall take place in person by voice vote or secret ballot. A Director joining the meeting via electronic communications shall be considered in person, providing compliance with all current legal requirements is in place. No proxies are allowed. Additional candidates will not be accepted from the floor for consideration.

Nominations of proposed Directors shall be made by the Burbank Association of Realtors and/or the Board of Directors of this Foundation. The Board may delegate responsibility for vetting prospects and developing a slate of Director nominees to a Nominating Committee, chaired by the Foundation's President Elect and consisting of at least two (2) other Directors, one of whom is an Ex Officio Director appointed by the Association to the CSF Board.

B. Terms

Board members shall serve for a period of three (3) years. Terms are to be staggered so approximately one-third (1/3) of the Board is elected each year, depending on the fixed number of positions on the Board. Directors may be re-elected to a second three-year term. No Director shall serve longer than six (6) consecutive years. Following a one ~~three~~ year break from the Board, a two-term Director may stand for re-election again.

A Director may make a written request for an emergency leave of absence from the Board, not to exceed six months, during which time the Director may not vote on any business of the Corporation. Unless the Director's absence would result in the Board being below its minimum

number, his/her position shall remain open. If a substitute is required to comply with these Bylaws, the President shall appoint one for six months maximum. Upon return to the Board, the Director will serve out the remainder of his/her original term.

Section 4. Vacancies.

A. Events Causing Vacancies

A vacancy on the Board shall exist upon the occurrence of the following:

- (a) the death, resignation, or removal of any director;
- (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Sections 5230-5239 of the Law dealing with standards of conduct for a director, or has missed two(2) consecutive meetings of the Board of Directors or a total of three (3) meetings of the Board during any one calendar year;
- (c) an increase in the authorized number of directors; or
- (d) the failure of the directors, at any annual or other meeting of directors at which any director or directors are to be elected, to elect the full authorized number of directors.

B. Resignations

Except as provided in this paragraph, any director may resign effective upon giving written notice to the Board President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective.

Unless the California Attorney General is first notified, no director may resign when the corporation would then be left without a duly elected director in charge of its affairs.

C. Filling Vacancies

Vacancies on the Board may be filled by presidential appointment and a vote of a majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. Vacancies in the position of an Ex Officio Director appointed by the Association shall result in the Association appointing a new Director.

D. Reduction of Number of Directors

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. Meetings.

A. Annual Meeting

The Board of Directors shall hold an annual meeting in December of each year for the purpose of electing directors and officers of the corporation, the adoption of the new fiscal year budget and for the transaction of other business within 60 days. This meeting shall be held at the principal offices of the corporation or any location designated in the meeting notice.

B. Regular Meetings

Other regular meetings shall be held at such times as are fixed by the Board of Directors. Such regular meetings may be held without notice. Meetings may be held at any place designated by resolution of the Board, or, if not designated, at the principal office of the corporation.

C. Special Meetings

Meetings of the Board for any purpose may be called at any time by the Board president, the secretary, or any two (2) directors. Notice of the date, time, and place of meetings shall be delivered personally to each director or communicated to each director by telephone (including a voice messaging system which records and communicates messages), facsimile, or electronic mail at least forty-eight (48) hours prior to the meeting, or communicated via express mail service, first-class mail, or by other means of written communication, charges prepaid, addressed to the director at the director's address as it is shown upon the records of the corporation, deposited in the mails or given to the express mail company or other carrier at least four (4) days before the date of the meeting.

Special meetings shall be held at any place designated in the notice of the meeting or, if not stated in the notice, at the principal office of the corporation.

D. Electronic Meetings

Any meeting may be held by conference telephone or other communications equipment permitted by the Law, as long as all directors participating in the meeting can communicate with one another and all other requirements of the Law are satisfied. All directors participating in this manner shall be deemed to be present in person at such meeting.

E. Waiver of Notice

Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such director. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6. Quorum.

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn a meeting, or as so specified elsewhere in these bylaws. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) approval of certain transactions between Corporations having common Directors, (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting

Section 7. Adjournment and Notice.

A majority of the Directors present, whether or not a quorum is present, may adjourn any meetings to another time and place.

If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment. Such notice may be waived in the manner provided for in Article 7, Section 5 E.

Section 8. Action Without a Meeting.

The Board of Directors may take any required or permitted action without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors. For purposes of this section only, "all members of the Board" does not include any "interested directors" as defined in Section 5233 of the California Nonprofit Public Benefit Law.

**Section 9.
Compensation and Reimbursement.**

Directors and members of committees may not receive any compensation for their services as such, but may receive reasonable reimbursement of expenses incurred in the performance of their duties as the Board may determine by resolution to be just.

**ARTICLE IX
COMMITTEES**

**Section 1.
Committees of Directors.**

The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. Each such committee shall consist of at least one ~~(1) two (2)~~ or more Directors, and may also include persons who are not on the Board, to serve at the pleasure of the Board. The Board may designate one or more alternate members of any committee, who may replace any absent member at any meeting of the committee.

The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board.

However, no committee, regardless of Board resolution, may:

- (a) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws.
- (b) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- (c) Approve any action that, under the Law, would also require the affirmative vote of the members if this were a membership corporation.
- (d) Fill vacancies on, or remove the members of, the Board of Directors or in any committee that has the authority of the Board.
- (e) Appoint any other committees of the Board of Directors or their members.
- (f) Approve a plan of merger; consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business; or revoke any such plan.

- (g) Approve any self-dealing transaction, except as provided by Section 5233 of the Law.
- (h) Change the mission, vision or strategic plan of the Foundation.

No committee shall bind the corporation in a contract or agreement or expend corporate funds, unless authorized to do so by the Board of Directors.

Section 2 Meetings and Actions of Committees

Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of these Bylaws, concerning meetings and actions of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee.

Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these bylaws for the government of any committee. In the absence of rules adopted by the Board, the committee may adopt such rules, consistent with Corporate Code.

Section 3. Executive Committee.

As outlined in Article IX, Section 1, the Board may appoint an Executive Committee consisting of the Board President, President-Elect, Secretary and Treasurer, and Past President to serve as the Executive Committee of the Board. The Executive Committee, unless limited in a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the corporation between meetings of the Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Article 9, Section 1. The secretary of the corporation shall send to each director a summary report of the business conducted at any meeting of the Executive Committee.

Section 4. Audit Committee.

The Board may appoint an Audit Committee. Notwithstanding Article 9, Section 1, which shall otherwise govern the committee's operations, the committee shall be comprised of two or more

persons, including at least one Ex Officio Director and may include persons other than directors of the corporation. The membership of the Audit Committee shall not include the following
Page 10 of 19 Bylaws- Association of Burbank Realtors CSF

persons; (a) The President of the Board; (b) The Treasurer of the corporation; (c) Any employee of the corporation; or (d) Any person with a material financial interest in any entity doing business with the corporation.

In the event that the Board appoints a Finance Committee, members of the Finance Committee must constitute less than one-half of the membership of the Audit Committee. The Audit Committee shall make recommendations to the Board of Directors regarding the hiring and termination of an auditor, who shall be an independent certified public accountant, and may be authorized by the Board to negotiate the auditor's salary.

The Audit Committee shall confer with the auditor to satisfy its members that the Corporation's financial affairs are in order, and shall review and determine whether to accept the audit.

In the event that the auditor's firm provides non-audit services to the Corporation, the Audit Committee shall ensure the auditor's firm adheres to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards published by the Comptroller General of the United States, or any standards promulgated by the Attorney General of California.

ARTICLE X OFFICERS

Section 1. Officers of the Corporation.

The officers of the corporation ~~may shall~~ consist of an Immediate Past President and shall consist of: President, President-Elect, Secretary and Treasurer (chief financial officer), and such other officers as the Board may designate by resolution. The same person may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as President.

In addition to the duties specified in this Article 10, officers shall perform all other duties customarily incident to their office and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, subject to control of the Board of Directors, and shall perform such additional duties as the Board of Directors shall from time to time assign.

Section 2. Election of Officers and Qualifications.

The officers shall be chosen by the Board at its annual meeting, and shall serve for the term of one (1) year. Prior to election, officers must have completed at least one year as a Director.

**Section 3.
Resignation or Removal of Officers.**

Any officer may resign at any time by giving notice to the Corporation. The resignation shall take effect as of the date of the notice or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective.

An officer may be removed by a two-thirds (2/3) vote of the seated members of the Board of Directors for cause as outlined in events leading to a vacancy in Article VII, Section 4 A.

**Section 4.
Responsibilities of Officers.**

A. President

The President of the Board shall, when present, preside at all meetings of the Board of Directors and the Executive Committee if one is appointed. The President shall have all other powers and duties as the Board or the Bylaws may prescribe.

B. President-Elect

The President-Elect shall, in the absence of the President, or in the event of his or her inability or refusal to act, perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The President-Elect shall serve as Chair of the Nominating Committee and shall have such other powers and responsibilities as the Board or the Bylaws may prescribe.

C. Secretary

The Secretary, or his or her designee, shall be custodian of all records and documents of the Corporation which are to be kept at the principal office of the Corporation, shall act as secretary of all the meetings of the Board of Directors, and shall keep the minutes of all such meetings in accordance with Corporate Code and retain them in books proposed for that purpose. He or she shall attend to the giving and serving of all notices of the Corporation, and shall see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

D. Treasurer

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including

accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall deposit or cause to be deposited all moneys 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. The treasurer shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the president and directors, whenever they request it, an account of all of the treasurer's transactions as Treasurer and of the financial condition of the Corporation.

The Treasurer shall chair the Finance Committee if one is appointed.

The Treasurer shall be responsible for the Board and staff developing an annual operating budget for the Corporation and for budget oversight throughout the year.

E. Immediate Past President

The Immediate Past President shall serve as an advisor to the Board, and the President in particular. He/she shall assume all powers and duties as may be assigned by the Board.

ARTICLE XI STANDARD OF CARE

Section 1. General.

A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;
- (b) Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as in any such case, the director acts in good faith, after reasonable inquiry when

the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article 11, Section 3.B, a person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the corporation, or assets held by it, are dedicated.

Section 2. Loans.

This corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the California Attorney General; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 3. Conflict of Interest.

The purpose of the conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable California and federal laws governing conflict of interest applicable to nonprofit and charitable corporations and is not intended as an exclusive statement of responsibilities.

A. Definitions

Unless otherwise defined, the terms used in this section have the following meanings:

1. **"Interested Persons"** - Any director, principal officer, or member of a committee with governing Board delegated powers, which has a direct or indirect financial interest, as defined below, is an interested person.
2. **"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 Corporation has a transaction or arrangement;
 - (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation 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 Corporation is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. 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. (See B. Procedures 2)

B. Procedures

1. 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, who are considering the proposed transaction or arrangement.

2. 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, the interested person shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

3. Procedure For Addressing The Conflict Of Interest

In the event that the Board determines that a proposed transaction or arrangement presents a conflict of interest, the Board shall take the following actions:

- (a) An interested person may make a presentation at the Board 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 Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Board shall determine whether the Corporation 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 is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction or arrangement in conformity with this determination.

4. Violations Of The Conflict Of Interest Policy

If the Board has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

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

5. Records And Procedures

The minutes of the Board and shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board'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.

6. Annual Statements

Each director, principal officer and member of a committee with 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 Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

ARTICLE XII EXECUTIVE DIRECTOR

The Board of Directors may hire an Executive Director for the Corporation who subject to the control, advice and consent of the Board of Directors, shall have responsibility for the daily administration of the Corporation, including the supervision of any paid staff, seeing that all orders and resolutions of the Board are carried into effect, and supporting the Directors and Officers in their performance of their individual duties.

The Executive Director shall be responsible for the hiring and firing of all personnel, and shall be responsible for keeping the Board informed at all times of staff performance and for implementing any personnel policies adopted by the Board.

The Executive Director may be authorized to contract, receive, deposit, disburse, and account for funds of the corporation; to execute in the name of the corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the corporation; and to negotiate all material business transactions of the corporation.

In conducting these duties, however, no activities performed by the Executive Director shall be construed as relieving either the Directors or the Officers from their duties as stated in these bylaws or under the California Nonprofit Public Benefit Corporation Law.

ARTICLE XIII RECORDS AND REPORTS

Section 1. Maintenance and Inspection of Articles and Bylaws.

The corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and bylaws as amended to date, which shall be open to inspection by the directors and the public at all reasonable times during office hours.

Section 2. Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns.

The corporation shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Section 3. Maintenance and Inspection of Other Corporate Records.

The corporation shall keep adequate and correct books and records of accounts, and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal office of the corporation. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form.

Upon leaving office, each officer, employee, or agent of the corporation shall turn over to his or her successor or the president, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents, within compliance of current law.

Section 4. Preparation of Annual Financial Statements.

The corporation shall prepare annual financial statements using generally accepted accounting principles. Such statements may be audited by an independent certified public accountant, in conformity with generally accepted accounting standards, under supervision of an Audit Committee allowed by these Bylaws.

Should the Board not establish an Audit Committee or engage the services of a CPA, the Treasurer shall compile the financial records for an annual financial statement. The corporation shall make these financial statements available to the California Attorney General and members of the public for inspection no later than nine (9) months after the close of the fiscal year to which the statements relate.

Section 5. Reports.

The Board shall cause an annual report to be sent to all directors, within 120 days after the end of the corporation's fiscal year, containing the following information:

- (a) The assets and liabilities, including the trust funds, of this corporation at the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenues or receipts of this corporation, both unrestricted and restricted for particular purposes, for the fiscal year;
- (d) The expenses or disbursements of this corporation for both general and restricted purposes during the fiscal year; and
- (e) The information required by Section 6322 of the Law concerning certain self dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

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

**ARTICLE XIV
INDEMNIFICATION AND INSURANCE**

**Section 1.
Indemnification.**

Directors and Officers shall be indemnified to the maximum amount allowed by current California Corporation Law.

**Section 2.
Insurance.**

The corporation shall hold such Directors and Officers Insurance and General Liability Insurance as it deems necessary

**ARTICLE XV
FISCAL YEAR**

The fiscal year for this corporation shall be the calendar year.

**ARTICLE XVI
CORPORATE SEAL**

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

**ARTICLE XVI
AMENDMENTS AND REVISIONS**

These bylaws may be adopted, amended or repealed by the vote of a two-thirds (2/3) of the directors then in office. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting was sent two (2) weeks in advance, setting forth the proposed bylaw revisions with explanations therefore, in accordance with noticing requirements in these bylaws. There shall be no voting by proxy or absentee ballot.

**ARTICLE XVI
CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

CERTIFICATE OF ADOPTION OF BYLAWS

I, the undersigned, certify that I am the currently elected and acting secretary of the _____, a California nonprofit public benefit corporation, and the above bylaws, consisting of ___ pages, are the bylaws of this corporation as adopted by the Board of Directors on _____, 20___, and that they have not been amended or modified since that date.

Executed on _____, 20___, at _____, California.

Secretary