

**BYLAWS OF
NATIONAL CREATIVE ARTS FOUNDATION**

A California Nonprofit Public Benefit Corporation

ARTICLE 1 - OFFICES

SECTION 1. NAME

The name of this corporation is NATIONAL CREATIVE ARTS FOUNDATION

SECTION 2. PRINCIPAL OFFICE OF THE CORPORATION

The principal office for the transaction of activities and affairs of this corporation is located at 10 Corporate Park Ste 330, Irvine, CA 92606

SECTION 3. CHANGE OF ADDRESS OF PRINCIPAL OFFICE

The Board of Directors shall have full power and authority to change said principal office from one location to another within the State of California. Any such change shall be noted by the Secretary in these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

SECTION 4. OTHER OFFICES

The Board may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

ARTICLE 2 - PURPOSES

SECTION 1. OBJECTIVES AND PURPOSES

This corporation is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The purpose of this corporation is to support young artists and directors' creation and promotion.

SECTION 2. DEDICATION OF ASSETS

This corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

ARTICLE 3 – MEMBERS

SECTION 1. MEMBERS

This corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. The corporation's Board of Directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board finds appropriate.

ARTICLE 4 – BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws of this corporation, the activities and affairs of this corporation shall be managed and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

SECTION 2. SPECIFIC POWERS

Without prejudice to the general powers set forth in Article 4, Section 1 of these bylaws, but subject to the same limitations, the Board of Directors shall have the power to do the following:

- A) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation or by these bylaws.
- B) Appoint and remove, at the pleasure of the Board, all corporate officers, agents and employees; prescribe power and duties for them as are consistent with the law, the articles of incorporation and these bylaws; fix their compensation; supervise their performance; and require from them security for faithful service.
- C) Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; and conduct its activities in or outside California.
- D) Borrow money and incur indebtedness on the corporation's behalf 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.
- E) Authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Except for matters pertaining to the ordinary and necessary operation of the business of the corporation and as otherwise provided in Section 5214 of the California Corporations Code, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.
- F) Accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.
- G) Adopt, use and, at will, alter a corporate seal.

SECTION 3. NUMBER OF DIRECTORS

The Board of Directors shall consist of at least one (1) but no more than twenty (20) directors unless changed by amendment to these bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board of Directors.

SECTION 4. RESTRICTION ON INTERESTED PERSONS AS DIRECTORS

No more than 49 percent of the persons serving on the Board may be "interested persons." An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 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) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the corporation.

SECTION 5. NOMINATIONS OF DIRECTORS

The Chair of the Board shall appoint a committee to nominate qualified candidates for election to the Board at least 60 days before the date of any election of directors. The nominating committee shall make its report at least 30 days before the date of the election, or at such other time as the Board may set, and the secretary shall forward to each member, with the notice of meeting required by these bylaws, a list of all candidates nominated by committee.

SECTION 6. ELECTION OF DIRECTORS

Directors shall be elected at the annual meeting of the Board of Directors for a term of two (2) years and shall hold office until the expiration of the term for which elected, and until a successor is elected and qualified. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Each director shall cast one vote.

In order to stagger the terms of the first elected Board of Directors, one-third (1/3) of the directors shall be elected for a term of three (3) years, one-third (1/3) shall be elected for a term of two (2) years, and one-third (1/3) shall be elected for a term of one (1) year.

SECTION 7. COMPENSATION

Directors shall serve without compensation, but may receive such reimbursement of expenses as the Board may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

SECTION 8. RESIGNATION OF DIRECTORS

Any Director may resign by giving written notice to the Chair of the Board, the Executive Director, the Secretary of the Board, or the Board of Directors. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Except upon notice to the California Attorney General, no director may resign if the corporation would be left without a duly elected director or directors in charge of its affairs.

SECTION 9. REMOVAL OF DIRECTORS

Any director may be removed with or without cause by a vote of two-thirds (2/3) of the members of the entire Board of Directors at a special meeting called for that purpose or at a regular meeting, provided that notice of that meeting and of the removal questions are given as provided in Article 5, Section 6. Any director who has missed two consecutive Board meetings without prior notice of planned absence will be automatically removed from the Board without Board resolution unless (a) the director requests a leave of absence for a limited period of time and the leave is approved by the directors at a regular or special meeting (if such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present), (b) the director suffers from an illness or disability that prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection; or (c) the Board by resolution of the majority of Board members must agree before a director who has missed two meetings may be reinstated.

Any vacancy caused by the removal of a director shall be filled as provided in Article 4, Section 10 of these bylaws.

SECTION 10. VACANCIES

A vacancy or vacancies on the Board of Directors shall occur in the event of (a) the death, removal, or resignation of any director; (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; or (c) the increase of the authorized number of directors.

Vacancies on the Board may be filled by approval of the Board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office; (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with Corporations Code Section 5211; or (3) a sole remaining director.

SECTION 11. NO REMOVAL FOR REDUCTION OF NUMBER OF DIRECTORS

Any reduction of the authorized number of directors shall not result in any director's being removed before his or her term of office expires.

SECTION 12. LIMITED LIABILITY OF DIRECTORS

Subject to their fiduciary responsibilities and standards of conduct for directors including, but not limited to, the duty of care, the duty of loyalty, the duty of inquiry and other duties imposed by law, the directors shall not be personally liable for the debts, liabilities or other obligations of the corporation.

ARTICLE 5 – MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1. PLACE OF BOARD MEETINGS

Meetings of the Board shall be held at the principal office of the corporation unless another location is designated in the notice of the meeting.

SECTION 2. MEETINGS BY TELEPHONE OR OTHER TELECOMMUNICATIONS EQUIPMENT

Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if all of the following apply:

- (A) Each member participating in the meeting can communicate concurrently with all other members;
- (B) Each member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation;
- (C) The Board has adopted and implemented a means of verifying both of the following:
 - a. A person participating in the meeting is a director or other person entitled to participate in the Board meeting;
 - b. All actions of or votes by the Board are taken or cast only by the directors and not by persons who are not directors.

SECTION 3. ANNUAL MEETING

The annual meeting of the Board of Directors shall be held within the first month of the new fiscal year, unless such other date is chosen by consensus of the Board. At the annual meeting, directors shall be elected by the Board of Directors in accordance with Article 4, Section 6.

SECTION 4. REGULAR MEETINGS

The Board of Directors by resolution may establish a schedule of regular meetings of the Board of Directors.

SECTION 5. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chair of the Board, the Executive Director, the Vice Chair, the Secretary, or by any two directors, and such meetings shall be held at the place designated by the person or persons calling the meeting and in the absence of such designation, at the principal office of the corporation.

SECTION 6. NOTICE OF SPECIAL MEETINGS

Notice of the time and place of special meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the corporation's records. Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic mail shall be delivered, telephoned, or sent, respectively, at least forty-eight (48) hours before the time set for the meeting.

The notice shall state the time of the meeting and the place, if the place is other than the corporation's principal office. The purpose of the special meeting must be specified in the notice.

SECTION 7. QUORUM

A majority of the duly elected directors constitutes a quorum of the Board of Directors for the transaction of business except as hereinafter provided.

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 an 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 directorships, (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 some directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Except as otherwise provided in these bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum is not present and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

SECTION 8. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETING

The transactions of any 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, as above described, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such

waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

SECTION 9. ADJOURNMENT

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

SECTION 10. ACTION WITHOUT A MEETING

Any action that the Board is required or permitted to take may be taken without a meeting if all Board members 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 who is an "interested director" as defined in 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. All such consents shall be filed with the minutes of the proceedings of the Board.

Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of disinterested directors of the Board of Directors without a meeting and that the bylaws of this corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

ARTICLE 6 – COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE

The Board of Directors may, by a majority vote of directors, designate the Chair of the Board and one (1) or more other officers, and other members as designated by the Board, and no one who is not a director, to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the corporation, except with respect to:

- (A) Taking any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the directors or approval of a majority of all directors;
- (B) The filling of vacancies on the Board or on any committee which has the authority of the Board;
- (C) Fixing compensation of the directors for serving on the Board or on any committee;
- (D) The amendment or repeal of bylaws or the adoption of new bylaws;
- (E) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (F) The creation of committees of the Board or the appointment of members thereof;
- (G) The expenditure of corporate funds to support a nominee for director if there are more people nominated for director than can be elected;
- (H) The approval of any transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as special approval is provided for in Corporations Code Section 5233(d)(3).

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board.

SECTION 2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the board.

SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings and other Board actions, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee.

Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board has not adopted rules, the committee may do so.

ARTICLE 7 – OFFICERS

SECTION 1. OFFICES HELD

The officers of the corporation shall be a Chair, Vice Chair, Secretary, and Treasurer. The corporation may also have, at the discretion of the directors, such other officers as may be appointed by the directors. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as the Chair of the Board.

SECTION 2. ELECTION OF OFFICERS

Officers of this corporation, except any appointed under Article 7, Section 4 of these bylaws, shall be chosen at the Annual Board Meeting by the Board and shall serve at the pleasure of the Board.

SECTION 3. TERMS OF OFFICE

Each officer shall hold office until his or her successor shall be elected and qualified, or until he or she resigns or is removed, or is otherwise disqualified to serve, whichever occurs first. Officers may serve more than one term.

SECTION 4. APPOINTMENT OF OTHER OFFICERS

The Board may appoint and authorize the Chair of the Board or another officer to appoint any other officers that the corporation may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the bylaws or established by the Board.

SECTION 5. REMOVAL OF OFFICERS

The Board may remove any officer with or without cause. An officer who was not chosen by the Board may be removed by any other officer on whom the Board confers the power of removal.

SECTION 6. RESIGNATION OF OFFICERS

Any officer may resign at any time by giving written notice to the Chair of the Board, the Executive Director of the corporation, or the Board of Directors. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

SECTION 7. VACANCIES IN OFFICE

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for normal appointments to that office, provided, however, that vacancies need not be filled on an annual basis. In the event of a vacancy in any office other than that of Chair, such vacancy may be filled temporarily by appointment by the Chair until such

time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

SECTION 8. RESPONSIBILITIES OF CHAIR OF THE BOARD

The Chair of the Board shall preside at all meetings of the Board of Directors and subject to the control of the Board of Directors, shall oversee and control the affairs of the corporation, the activities of the officers and the Executive Director. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation or by these bylaws, he or she shall, in the name of the corporation, execute, or cause to be executed, such deeds, mortgages, bonds, contracts, checks or other instruments which may from time to time be authorized by the Board of Directors.

SECTION 9. RESPONSIBILITIES OF VICE CHAIR

In the absence of the Chair, or in the event of his or her inability or refusal to act, the Vice Chair shall perform all the duties of the Chair, and when so acting shall have the powers of, and be subject to all the restrictions on, the Chair. The Vice Chair shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these bylaws, or as may be prescribed by the Board of Directors.

SECTION 10. RESPONSIBILITIES OF SECRETARY

The Secretary shall:

- (A) Certify and keep or cause to be kept at the principal office of the corporation the Articles of Incorporation and the original or a copy of these bylaws as amended or otherwise altered to date.
- (B) Keep or cause to be kept at the corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings and actions of the Board and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general or special and, if special, how authorized; the notice given and the names of persons present at Board and committee meetings.
- (C) Give or cause to be given notice of all meetings of the Board and of committees of the Board that these bylaws require to be given.
- (D) Be custodian of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under seal is authorized by law or these bylaws. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.
- (E) Exhibit or cause to be exhibited at all reasonable times to any director of the corporation, or to his or her agent or attorney on request thereof, the bylaws and the minutes of the proceedings of the directors of the corporation.
- (F) Perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 11. RESPONSIBILITIES OF TREASURER

The Treasurer shall:

- (A) Have charge and custody of, and be responsible for, all funds and securities of the corporation and deposit, or cause to be deposited, all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

(B) Disburse, or cause to be disbursed by the Executive Director, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements as the Board may order. Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Executive Director, an officer, or by such individuals as are authorized by the Board of Directors.

(C) Oversee receipt of monies due and payable to the corporation from any source whatsoever.

(D) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

(E) Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request thereof.

(F) Render to the Chair and directors, whenever requested, an account of any or all transactions and of the financial condition of the corporation.

(G) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

(H) 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 to him or her from time to time by the Board of Directors.

ARTICLE 8 – EXECUTIVE DIRECTOR

SECTION 1. RESPONSIBILITIES

The Board of Directors shall hire or appoint an individual to act in the capacity of Executive Director. Subject to the control of the Board, he or she shall have general supervision, direction, and control of the business and programs of the corporation, and general control of the employment, supervision and direction of the corporation's staff. He or she may, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks or other instruments that may, from time to time, be authorized by the Board of Directors or the Executive Committee.

ARTICLE 9 – CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS

SECTION 1. CONTRACTS WITH DIRECTORS AND OFFICERS

No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction, the Board considers and in good faith decides that after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of this corporation if it (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

SECTION 2. LOANS WITH DIRECTORS AND OFFICERS

This corporation shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General; provided, however, that the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses by the corporation.

ARTICLE 10 - INDEMNIFICATION AND INSURANCE

SECTION 1. INDEMNIFICATION

To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses", as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Article 10, Section 1 of these bylaws in defending any proceeding covered by this Section shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

SECTION 2. INSURANCE

This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's or agent's status as such.

ARTICLE 11 – CORPORATE RECORDS AND REPORTS

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office in the State of California:

- (A) Minutes of all meetings of directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.
- (B) Adequate and correct books and records of account including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- (C) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the directors of the corporation at all reasonable times.

SECTION 2. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary. The inspection

may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

SECTION 3. ANNUAL REPORT

The Board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all directors of the corporation, which report shall contain the following information in appropriate detail:

- (A) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (B) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (C) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes for the fiscal year;
- (D) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
- (E) Any information required by Section 4 of this Article;
- (F) An independent accountants' report or, if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

SECTION 4. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS AND INDEMNIFICATIONS

As part of the annual report, this corporation shall furnish to its directors a statement of any transaction of indemnification of a kind described in Section 6322, subdivision (d) or (e) of the California Nonprofit Public Benefit Corporation Code:

- (A) Any transaction (i) in which the corporation was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either:
 - a. Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
 - b. Any holder of more than ten (10) percent of the voting power of the corporation.

The statement shall include a brief description of the transaction, the names of the interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

- (B) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Article 10, Section 1 of these bylaws, unless that indemnification has already been approved by the Board under Corporations Code Section 5238(e)(2).

ARTICLE 12– FISCAL YEAR

SECTION 1. FISCAL YEAR

The fiscal year of the corporation shall begin on the first of December and end on the 30th of November of each year.

ARTICLE 13 – AMENDMENT OF BYLAWS

SECTION 1. AMENDMENT OF BYLAWS

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by a two-thirds (2/3) vote of the entire Board of Directors elected pursuant to these bylaws.

These bylaws may not be amended to include any provision that conflicts with law or with the corporation's Articles of Incorporation.

ARTICLE 14 – AMENDMENT OF ARTICLES OF INCORPORATION

SECTION 1. AMENDMENT OF ARTICLES

Subject to limitations placed by Corporations Code Section 5810(a) and any other provision of law applicable to the amendment of Articles of Incorporation of public benefit nonprofit corporations, the Articles of Incorporation may be altered, amended, or repealed and new Articles adopted by a two-thirds (2/3) vote of the entire Board of Directors elected pursuant to these bylaws.

SECTION 2. LIMITATIONS ON AMENDMENTS

Notwithstanding the above section of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement.

ARTICLE 15 – PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these bylaws and is fixed by resolution 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 corporation.

The Board of Directors of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.