

Amended Bylaws of

Bel-Air Association

A California Nonprofit Mutual Benefit Corporation

ARTICLE 1 NAME

Section 1.1 Corporate Name
The name of this corporation is the Bel-Air Association (the “Corporation”).

ARTICLE 2 OFFICES

Section 2.1 Principal Office
The principal office for the transaction of the business of the Corporation may be established at any place or places within or without the State of California by vote or resolution of the Board, and is presently located at 100 Bel Air Road, Los Angeles, California 90077.

Section 2.2 Other Offices
The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to transact business.

ARTICLE 3 PURPOSES

Section 3.1 General Purpose
The Corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person.

ARTICLE 4 TRANSPARENCY & LIMITATIONS

Section 4.1 Transparency
The Corporation shall operate in a transparent manner. Its Form 990 tax returns shall be posted on its website. It shall prepare an annual financial report, which shall also be posted on its website. It shall adopt and maintain a robust conflict of interest policy, which shall be posted on its website, and which shall prohibit its Officers, Directors, and employees from voting on any matter or advocating for any person, company, or cause in which she or he has a monetary stake or other conflict of interest (including, by way of example only, an economic, contractual, or familial relationship).

Section 4.2 Prohibited Activities
The Corporation shall not carry on or engage in any activity for the profit of its Officers, Directors, or employees as such. Furthermore, nothing herein shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the “Code”) (ii) by a corporation, contributions to which are tax deductible, or (iii) in violation of the terms of its Articles of Incorporation or applicable law.

ARTICLE 5 DEDICATION OF ASSETS

Section 5.1 Property Dedicated to Nonprofit Purposes
No part of the Corporation’s income or assets shall ever inure to the benefit of any of its Directors, Officers, or employees, or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable wages and compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in its Articles and By-Laws.

ARTICLE 6 MEMBERS & MEMBERSHIPS

Section 6.1 Members & Membership

Membership in this Corporation shall be limited to persons, firms, or corporations owning of record or renting under a written lease, real property situated in Bel-Air, or the spouse of any such person owning of record or renting any such real property situated in Bel Air. No person, firm, or corporation shall be entitled to own more than one membership in this corporation regardless of the amount of real property in Bel Air owned or rented by such person, firm, or corporation. No person, firm, or corporation shall be entitled to more than a single membership in the Corporation, and all persons owning or renting real property in Bel Air shall be entitled to a single membership. In the case of firms or corporations, the legal or beneficial owners, officers, and/or directors shall jointly be entitled to only a single membership in the Corporation, irrespective of the number of lots, parcels, or property owned by such firms or corporations in Bel Air, and spouses shall be entitled to one single, joint membership.

No person, firm, or corporation other than those entitled to own or hold a membership in this corporation as set forth herein shall be or shall become entitled to own or hold a membership or any interest in a membership in this Corporation.

Every person, firm, or corporation owning or holding a membership in this Corporation shall be a member of this Corporation.

Memberships in this Corporation are and shall be deemed personal to the members, and no membership in this Corporation shall be sold, transferred, assigned, mortgaged, pledged, or otherwise hypothecated or disposed of, and any attempted sale, transfer, assignment, mortgage, pledge, or other hypothecation or disposal of any membership in this Corporation shall be void and of no effect. Membership in this Corporation shall not be subject to attachment, garnishment, execution or other legal or judicial process, levy, transfer, or sale, and no trustee or receiver shall acquire any membership in this Corporation, and any such attempt, attachment, garnishment, execution, or other legal or judicial process, levy, transfer, or sale shall be void and of no effect. The members of this Corporation shall have no property rights in any of the property of this Corporation, upon dissolution or otherwise.

When any member of this Corporation shall die or cease to be eligible for membership in this Corporation as herein provided, the membership of such member shall ipso facto cease and terminate, automatically, and with no action necessary, and such membership shall be deemed to be cancelled, provided that if the member is survived by a spouse, the membership shall belong to such spouse.

No membership fee shall be charged, nor shall members be required to pay at any time, any amount to carry on the business of the Corporation, and shall not be subject to assessment, except for annual dues in such amount as may be determined by the Board of Directors in advance.

The Corporation's members may request that the Corporation notice and hold a Special Meeting of members. In order to do this, the lesser of (a) five-percent of the then-current members of this Corporation, or (b) forty then-current members of the Corporation, must present a petition to the Corporation, specifying the specific agenda item(s) they wish to include for the Special Meeting of members. The Corporation shall then notice the Special Meeting of members within twenty days of receipt of a qualifying member petition, or, alternatively and in the Corporation's discretion, it may hold its Annual meeting of members in place of a Special meeting if no Annual meeting has been previously held in the calendar year.

Any member of the Corporation may be deprived of membership in the Corporation, with or without cause, upon a resolution, adopted by not less than two-thirds of the Directors of the Corporation, with such deprivation to be effective no less than 20 days after the adoption of such resolution. The Secretary of the Corporation shall mail a written notice not less than 15 days prior

to the effective date of the deprivation to the member's address of record with the Corporation. The written notice shall state (1) that the Directors have voted to deprive the member of membership, (2) the effective date of the deprivation, (3) the reasons therefor, and (4) that the member may be heard, orally or in writing, on a date certain (not less than five days prior to the effective date of the deprivation) before a person or persons authorized by the Corporation to decide that the member shall not be deprived of membership (the "Authorized Persons"). The Corporation shall provide the member with the opportunity to be heard described in the written notice. If the member elects to be heard, the Authorized Persons shall hear the member and report their decision in writing to the Directors, including the reasons therefor. If the Authorized Persons decide that the member shall not be deprived of membership, the Corporation shall not deprive the member of membership pursuant to the resolution notwithstanding the passage of the resolution.

ARTICLE 7 DIRECTORS

Section 7.1 Number, Qualifications, & Requirements

Subject to any limitations contained in the Articles of Incorporation of this Corporation or applicable law, the authorized number of directors of the Corporation ("Directors") shall be not less than seven or more than fifteen; the exact authorized number to be fixed, within these limits, by vote or resolution of the Board.

Upon adoption of these amended By-Laws, the initial number of directors shall be nine. These nine directors shall be comprised of the nine Directors elected at the same Special Meeting of the Corporation's members at which these amended By-Laws are adopted, and these nine Directors shall, immediately upon election during the Special Meeting at which these By-Laws are voted on and adopted, replace any and all existing Directors of the Corporation. Any member of the Corporation may run for this initial Director election. The initial Director election shall additionally take place under the following rules:

A. Those nine Director candidates receiving the most votes (in person and by proxy) shall be elected as Directors. In the case of a tie vote such that more than one candidate has received an equal number of votes for the final (ninth) Director position, the eight candidates receiving the most votes shall be elected as Directors, and in the event that this, too, results in a tie for the eighth position, then the seven candidates receiving the most votes shall be elected as Directors.

B. All Directors must be members of this Corporation.

C. Spouses may not both simultaneously serve as Directors and/or Officers of the Corporation.

D. A minimum of 100 members present, in person or by proxy, are required in order to constitute a quorum so as to hold the Directorship vote.

E. Each member of the Corporation shall be entitled to one vote, provided that in the event that a membership is owned or held by spouses or by a firm or corporation, jointly or otherwise, the owners or holders of such membership shall be collectively entitled to but one vote, which vote shall be cast as the majority of the owners or holders determine, or if such membership is owned or held by an even number of owners or holders, then as such owners or holders shall together determine, and if such owners or holders cannot agree, then their vote shall not be cast; and further provided that in the case of firms or corporation, their legal or beneficial holders, officers, and directors shall jointly be entitled to but one overall vote.

Subsequent to the vote at the Special Meeting of members at which the nine Directors are elected after the adoption of these amended By-Laws, Directors shall thereafter be elected, if by the members of the Corporation, only as set forth in this Article and Section, once each calendar year, at the annual meeting of members, as set by the Board, except that as stated hereinabove, the Board may set the number of Director positions at a number other than nine, so long as it is

between seven and fifteen, and if it does so, the Board may determine the tiebreaker protocol by Board vote or resolution, and the following additional requirements shall govern:

A. The Corporation may nominate one or more Director candidate(s) by majority Board vote.

B. While the name of any Corporation member may be written in on the ballot or proxy, members wishing to have their names appear on the Corporation's ballot or proxy must present a petition signed by the lesser of (a) five percent of the then-current members of the Corporation, or (b) twenty-five then-current Corporation members.

C. The Corporation shall provide notice to its members of the date of its upcoming Annual Meetings of members. Such meeting dates shall be set no fewer than thirty days from the date of the notice. Members shall have a minimum of ten days from the date of the notice of the Annual Meeting of members in which to provide the Corporation with the aforementioned Director candidate petition.

Section 7.2 Corporate Powers Exercised by Board

Subject to the provisions of the Articles of Incorporation of the Corporation (the "Articles of Incorporation") and applicable law, 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"). The Board may delegate the management of the activities of the Corporation to any person or persons, management company or committee however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 7.3 Terms; Election of Successors

Following the election of the nine Directors elected at the Special Meeting of the members at which these amended By-Laws are adopted, Directors shall be elected at each annual meeting of the members of this Corporation for terms that are the longer of (a) one year, or (b) until the next election of Directors at the following year's Annual meeting of members. Unless otherwise provided herein, each Director shall hold office until the expiration of the term for which he or she was elected and until the election of a successor, or until that Director's earlier resignation or removal in accordance with these Bylaws and applicable law. By resolution, the Board may arrange for terms to be staggered.

Section 7.4 Vacancies

7.4.1 Events Causing Vacancy

A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) whenever the number of authorized Directors is increased; or (iii) the failure of the Board, at any meeting at which any Director or Directors are to be elected, to elect the full authorized number of Directors.

7.4.2 Removal

The Board may by resolution declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law.

Directors may be removed without cause by the vote of a supermajority of at least 75% of the Directors then in office.

7.4.3 Resignations

Except as provided herein, any Director may resign by giving written notice to the Board or its Chairperson. Such a written resignation will be effective on the later of (i) the date it is delivered

or (ii) the time specified in the written notice that the resignation is to become effective. No Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the California Attorney General (the "Attorney General").

7.4.4 Election to Fill Vacancies

If there is a vacancy on the Board, including a vacancy created by the removal of a Director, the Board may fill such vacancy by electing an additional director as soon as practicable after the vacancy occurs. If the number of Directors then in office is less than a quorum, additional directors may be elected to fill such vacancies by (i) the unanimous written consent of the Directors then in office, (ii) the affirmative vote of a majority of the Directors in office at a meeting held according to notice or waivers complying with applicable law, or (iii) a sole remaining Director.

Section 7.5 Regular Meetings

Each year, the Board shall hold at least one meeting, at a time and place fixed by the Board, for the purposes of matters such as the nomination and setting of the election of Directors, appointment of Officers, review and approval of the corporate budget, and the transaction of other business. Other regular meetings of the Board may be held at such time and place as the Board may fix from time to time by vote or resolution.

Section 7.6 Special Meetings

Special meetings of the Board for any purpose may be called at any time by the Chairperson or by at least one-third of the Directors.

Section 7.7 Notice of Meetings

7.7.1 Manner of Giving Notice

Except when the time and place of a regular meeting is set by the Board by vote or resolution in advance (as permitted herein or under applicable law, notice of the time and place of all regular and special meetings shall be given to each Director by one of the following methods:

- (a) Personal delivery;
- (b) First-class mail, postage paid;
- (c) Telephone, including a voice messaging system or other system or technology designed to record and communicate messages; or
- (d) Facsimile, electronic mail ("e-mail") or other means of electronic transmission if the recipient has consented to accept notices in this manner.

Notice of regular meetings may be given in the form of a calendar or schedule that sets forth the date, time and place of more than one regular meeting.

7.7.2 Time Requirements

Notices sent by first-class mail shall be deposited into a United States mail box at least four days before the time set for the meeting. Notices given by personal delivery, telephone, voice messaging system or other system or technology designed to record and communicate messages, facsimile, e-mail or other electronic transmission shall be delivered at least 48 hours before the time set for the meeting.

7.7.3 Notice Contents

The notice shall state the time and place for the meeting, except that if the meeting is scheduled to be held at the principal office of the Corporation, the notice shall be valid even if no place is

specified. The notice need not specify the purpose of the meeting unless required to elsewhere in these Bylaws.

Section 7.8 Place of Board Meetings
Regular and special meetings of the Board may be held at any place within or outside the state that has been designated in the notice of the meeting, or, if not stated in the notice or, if there is no notice, designated by resolution of the Board. If the place of a regular or special meeting is not designated in the notice or fixed by a resolution of the Board, it shall be held at the principal office of the Corporation.

7.8.1 Meetings by Telephone or Similar Communication Equipment
Any meeting may be held by conference telephone or other communications equipment permitted by California Nonprofit Corporation Law, as long as all Directors participating in the meeting can communicate with one another and all other requirements of California Nonprofit Corporation Law are satisfied. All such Directors shall be deemed to be present in person at such meeting.

Section 7.9 Quorum and Action of the Board

7.9.1 Quorum
A majority of Directors then in office (but no fewer than four Directors or one-third of the authorized number, whichever is greater) shall constitute a quorum for the transaction of business, except to adjourn.

7.9.2 Minimum Vote Requirements for Valid Board Action
Every act taken or decision made by a vote of the majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by California Nonprofit Corporation Law, the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.

7.9.3 When a Greater Vote Is Required for Valid Board Action
The following actions shall require a vote by a majority of all Directors then in office in order to be effective:

- (a) Creation of, and appointment to, Committees (but not advisory committees) of the Board;
- (b) Removal of a Director without cause as described herein (which shall also require a supermajority of at least 75% of those Directors present at the meeting); and
- (c) Indemnification of Directors, except as may be required under applicable law.

Section 7.10 Waiver of Notice
The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, and (ii) either before or after the meeting, each of the Directors who is not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent does not need to specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Also, notice of a meeting is not required to be given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice. Directors can protest the lack of notice only by presenting a written protest to the Secretary either in person, by first-class mail addressed to the Secretary at the principal office of the Corporation as contained on the records of the Corporation as of the date of the protest, or by

facsimile addressed to the facsimile number of the Corporation as contained on the records of the Corporation as of the date of the protest.

Section 7.11 Adjournment
A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 7.12 Notice of Adjournment
Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 7.13 Conduct of Meetings
Meetings of the Board shall be presided over by the Chairperson, or, if there is no Chairperson or the Chairperson is absent, by a chairperson of the meeting, chosen by a majority of the Directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by rules of procedure as may be determined by the Board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles, or with any provisions of law applicable to the Corporation.

Section 7.14 Action Without Meeting
Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to the action. For these purposes only, "all members of the Board" shall not include any "interested Director" as defined in section 5233 of the California Nonprofit Corporation Law. Such written consent shall have the same force and effect as a unanimous vote of the Board taken at a meeting. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Written consent may be transmitted by first-class mail, messenger, courier, facsimile, e-mail or any other reasonable method satisfactory to the Chairperson or the President.

Section 7.15 Fees and Compensation of Directors
The Corporation shall not pay any compensation to Directors for services rendered to the Corporation as Directors, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board.

Also, Directors may not be compensated for rendering services to the Corporation in a capacity other than as Directors.

Section 7.16 Non-Liability of Directors
The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

ARTICLE 8 OFFICERS

Section 8.1 Officers
The officers of the Corporation ("Officers") shall be either a President or a Chairperson, or both, a Secretary, and a Treasurer or chief financial officer, or both. Other than the Chairperson, these persons may, but need not be, selected from among the Directors. The Board shall have the power to designate additional Officers, including a Vice President, who also need not be Directors, with such duties, powers, titles and privileges as the Board may fix, including such Officers as may be appointed in accordance herewith. Any number of offices may be held by the same person, except

that the Secretary, the Treasurer and the chief financial officer (if any) may not serve concurrently as either the President or the Chairperson.

Section 8.2 Election of Officers

The Officers, except as may otherwise be provided herein, shall be elected by the Board for a term of one year, and each shall serve at the discretion of the Board until his or her successor shall be elected, or his or her earlier resignation or removal. Officers may be elected for no more than three consecutive terms.

Section 8.3 Removal of Officers

Any Officer may be removed, with or without cause, by the Board, at any regular or special meeting of the Board, or at the annual meeting of the Corporation, or by an Officer on whom such power of removal may be conferred by the Board.

Section 8.4 Resignation of Officers

Any Officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any of the Corporation under any contract to which the Officer is a party.

Section 8.5 Vacancies in Offices

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 regular appointments to that office, provided that such vacancies shall be filled as they occur and not on an annual basis. In the event of a vacancy in any office other than the President or one whose appointment is otherwise specifically addressed herein, such vacancy shall be filled temporarily by appointment by the President, or if none, by the Chairperson, and the appointee shall remain in office for 60 days, or until the next regular meeting of the Board, whichever comes first. Thereafter, the position can be filled only by action of the Board.

Section 8.6 Responsibilities of Officers

8.6.1 Chairperson of the Board

The chairperson of the Board (the "Chairperson"), if any, shall be a Director and shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws. If the Board designates both a Chairperson and a President, the Board shall, by resolution, establish the specific duties carried by each position.

8.6.2 President

The president of the Corporation (the "President") shall, if there is no Chairperson, or in the Chairperson's absence, preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws. If no other person is designated as the chief executive, the President shall, in addition, be the chief executive and shall have the powers and duties prescribed herein for such position.

8.6.3 Vice President

The vice president of the Corporation (the "Vice President") shall, in the absence or disability of the President, perform all the duties of the President and, when so acting, have all the powers of and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as may be prescribed by the Board.

8.6.4 Secretary

The secretary of the Corporation (the "Secretary") shall attend to the following:

- 8.6.4.1 Bylaws
The Secretary shall certify and keep or cause to be kept at the principal office of the Corporation the original or a copy of these Bylaws as amended to date.
- 8.6.4.2 Minute Book
The Secretary shall keep or cause to be kept a minute book as described herein.
- 8.6.4.3 Notices
The Secretary shall give, or cause to be given, notice of all meetings of the Board in accordance with these Bylaws.
- 8.6.4.4 Corporate Records
Upon request, the Secretary shall exhibit or cause to be exhibited at all reasonable times to any Director, or to his or her agent or attorney, these Bylaws and the minute book.
- 8.6.4.5 Corporate Seal and Other Duties
The Secretary shall keep or cause to be kept the seal of the Corporation, if any, in safe custody, and shall have such other powers and perform such other duties incident to the office of Secretary as may be prescribed by the Board or these Bylaws.

8.6.5 Treasurer

The treasurer of the Corporation (the “Treasurer”) shall attend to the following:

- 8.6.5.1 Books of Account
The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and 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 books of account shall be open to inspection by any Director at all reasonable times.
- 8.6.5.2 Financial Reports
The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- 8.6.5.3 Deposit and Disbursement of Money and Valuables
The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board; shall disburse, or cause to be disbursed, the funds of the Corporation as may be ordered by the Board; shall render, or cause to be rendered to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation; and shall have other powers and perform such other duties incident to the office of Treasurer as may be prescribed by the Board or these Bylaws.
- 8.6.5.4 Bond
If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

8.6.6 Additional Officers

The Board may empower the Chairperson, President, or chief executive, to appoint or remove 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 from time to time may determine.

Section 8.7 Chief Executive/Executive Director

Subject to such supervisory powers as may be given by the Board to the Chairperson or President, the Board may hire a chief executive or executive director who shall be the general manager of the Corporation, and, but subject to the control, direction, and supervision of the Board, shall carry out the Corporation's day-to-day activities, business and affairs under the policy and other guidelines and directed by the Board.

Section 8.8 Compensation of Officers

8.8.1 Salaries Fixed by Board

The salaries of the Corporation's employees, if any, shall be fixed from time to time by vote or resolution of the Board or by the person or Committee to whom the Board has delegated this function. In all cases, any salaries received by employees shall be reasonable and given in return for services actually rendered for the Corporation which relate to the performance of the purposes of the Corporation.

8.8.2 Fairness of Compensation

The Board shall periodically review the fairness of compensation, including benefits, paid to every employee.

ARTICLE 9 TRANSACTIONS BETWEEN CORPORATION AND DIRECTORS OR OFFICERS

Section 9.1 Transactions with Directors and Officers

9.1.1 Interested Party Transactions & Advocacy

The Corporation shall not be a party to any transaction or advocate on behalf of any person or position:

- (a) in which one or more of its Directors, Officers, or employees has a material financial interest, or
- (b) with any corporation, firm, association, or other entity in which one or more Directors or Officers has a material financial interest.

9.1.2 Requirements to Authorize Transactions

The Corporation shall not be a party to any transaction unless:

- (a) the Corporation enters into the transaction for its own benefit;
- (b) the transaction is fair and reasonable to the Corporation at the time the transaction is entered into;
- (c) there are no Directors; Officers, or employees of the Corporation with a financial interest in the transaction (the Corporation's employment agreement, if any, with its employees is an exception to this requirement);
- (d) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and

- (e) the minutes of the Board meeting at which such action was taken reflect that the Board considered and made the findings described in paragraphs (a) through (d) of this Section.

Section 9.2 Loans to Directors, Officers, and Employees

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director, Officer, or employee, unless approved by the Attorney General; except that, however, the Corporation may advance money to a Director or Officer for expenses reasonably anticipated to be incurred in the performance of duties of such Director or Officer, if in the absence of such advance, such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

Section 9.3 Duty of Loyalty

Nothing in this shall be construed to derogate in any way from the absolute duty of loyalty that every Director and Officer owes to the Corporation.

ARTICLE 10 CORPORATE RECORDS, REPORTS AND SEAL

Section 10.1 Minute Book

The Corporation shall keep a minute book in written form which shall contain a record of all actions by the Board or any committee including (i) the time, date and place of each meeting; (ii) whether a meeting is regular or special and, if special, how called; (iii) the manner of giving notice of each meeting and a copy thereof; (iv) the names of those present at each meeting of the Board or any Committee thereof; (v) the minutes of all meetings; (vi) any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof; (vii) all written consents for action without a meeting; (viii) all protests concerning lack of notice; and (ix) formal dissents from Board actions.

Section 10.2 Books and Records of Account

The Corporation shall keep adequate and correct books and records of account. "Correct books and records" includes, but is not necessarily limited to: accounts of properties and transactions, its assets, liabilities, receipts, disbursements, gains, and losses.

Section 10.3 Articles of Incorporation and Bylaws

The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Section 10.4 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

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

Section 10.5 Annual Report; Statement of Certain Transactions

The Board shall cause an annual report to be sent to each Director within 120 days after the close of the Corporation's fiscal year containing the following information:

- (a) The assets and liabilities of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities during the fiscal year;
- (c) The revenue or receipts of the Corporation for this fiscal year;
- (d) The expenses or disbursements of the Corporation during the fiscal year.

Section 10.6 Directors' Rights of Inspection
Every Director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, and physical properties of the Corporation and each of its subsidiaries. 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 10.7 Corporate Seal
The corporate seal, if any, shall be in such form as may be approved from time to time by the Board. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

ARTICLE 11 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 11.1 Execution of Instruments
The Board, except as otherwise provided in these Bylaws, may by resolution 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. Unless so authorized, 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.

Section 11.2 Checks and Notes
Except as otherwise specifically determined by resolution of the Board, 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 Treasurer and countersigned by the President.

Section 11.3 Deposits
All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

Section 11.4 Gifts
The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the charitable or public purposes of the Corporation.

ARTICLE 12 CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions of California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced, and if any term or provision of these Bylaws is or becomes contrary to applicable law, such term or provision shall be severed from the remainder of these Bylaws and such term or provision shall be of no force or effect.

ARTICLE 13 AMENDMENTS

Section 13.1 Amendment by Directors
The Board may adopt, amend or repeal bylaws. Such power is subject to the following limitations:

- (a) Where any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise is required by law, such provision may not be altered, amended or repealed except by the vote of such greater number.
- (b) No amendment may extend the term of a Director beyond that for which such Director was elected.
- (c) If bylaws are adopted, amended or repealed at a meeting of the Board, such action is authorized only at a duly called and held meeting for which written notice of such meeting and the intent to amend the By-Laws is given, unless such notice is waived in accordance with these Bylaws.