

**BY-LAWS OF  
CALIFORNIA RECEIVERS FORUM LOS ANGELES/ORANGE COUNTY CHAPTER**

a California Nonprofit Mutual Benefit Corporation

**ARTICLE I**

**NAME**

The name of this corporation is California Receivers Forum Los Angeles/Orange County Chapter (sometimes referred to herein as the “Forum” or the “Corporation”).

**ARTICLE II**

**OFFICES**

**SECTION 1. PRINCIPAL OFFICE**

The principal office for the transaction of the business of the Corporation (“principal executive office”) is located at c/o JBS Associates, 954 La Mirada Street, Laguna Beach, California 92651. The directors may change the principal office from one location to another. Any change of this location shall be noted by the secretary on these by-laws opposite this section, or this section may be amended to state the new location.

**SECTION 2. OTHER OFFICES**

The board of directors may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to do business.

**ARTICLE III**

**OBJECTIVES AND PURPOSES**

The objective and purpose of the Forum is to principally operate in Los Angeles, Orange and surrounding counties in the State of California to promote the ethical administration of receivership practice and encourage increased professionalism in the receivership area by providing educational tools, seminars, and program materials and services; to foster and facilitate the exchange of information; to provide a forum to discuss issues of importance to the members, to disseminate useful and instructive articles and ideas; and to provide avenues of effective communication between the Forum, its constituents, and the courts, on matters including but not limited to; informing the membership and its members concerning current or projected legislation and local rules; eliciting membership participation as appropriate; securing recommendations regarding policy positions relevant issues; initiating and/or supporting legislation to enhance the posture of receivers and oppose any that are deemed injurious to the best interest of receivers. The Corporation is a volunteer-directed association consisting of affiliated enterprises and is a non-profit mutual benefit Corporation organized under the California Nonprofit Mutual Benefit Corporation law. It is not the purpose or objective of the

Corporation to endorse any particular receiver or member or affiliate. Further, membership in the Corporation is not intended to be a certification of the qualifications of any individual or organization to act as a receiver, or an attorney or other professional agent or representative of a receiver. The Corporation also participates and coordinates its activities with the California Receivers Forum, a separate statewide organization, and its various regional incorporated chapters located in San Diego, the Central Valley, Sacramento and the San Francisco Bay Area.

#### **ARTICLE IV**

##### **NONPARTISAN ACTIVITIES**

This Corporation has been formed under the California Nonprofit Mutual Benefit Corporation Law for the purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

The Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purpose described above.

#### **ARTICLE V**

##### **DEDICATION OF ASSETS**

The property of this Corporation is irrevocably dedicated to professional and educational purposes, and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, officer, or member of this Corporation, or to the benefit of any individual.

Upon the winding up and dissolution of this Corporation, and after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for professional and educational purposes and that has established its tax-exempt status under Section 501(c)(6) at the Internal Revenue Code.

This Corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under Section 501(c)(6) of the Internal Code of 1954 (or the corresponding provision of any future United States internal revenue law) or (ii) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, of 1954 (or the corresponding provision of any future United States internal revenue law).

## ARTICLE VI

### DIRECTORS

#### SECTION 1. NUMBER AND QUALIFICATION OF DIRECTORS

The authorized number of directors shall be no more than twenty five (25). Directors need not be residents of the State of California. In addition, the Board may appoint non-voting ex officio members to the Board for such period and for such purposes as the Board deems appropriate.

#### SECTION 2. POWERS

(a) General corporate powers. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law and any limitations. in the articles of incorporation and these by-laws relating to action required to be approved by the members, 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.

(b) Specific powers. Without prejudice to these general powers, and subject to the same limitations, the directors shall have the power to:

(i) Select and remove all officers, agents, and employees of the Corporation; prescribe any powers and duties for directors that are consistent with law, with the articles of incorporation, and with these by-laws; and fix their compensation.

(ii) Change the principal executive office or the principal business office in the State of California from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any members' or directors' meetings, including annual meetings.

(iii) Adopt, make, and use any corporate seal; prescribe the forms of membership certificates; and alter the form of the seal and certificate.

(iv) 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, deed of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

(v) Set the number of directors, subject to the limitations specified in Section 1 of Article VI

### **SECTION 3. ELECTION AND TERM OF OFFICE OF DIRECTORS**

Directors shall be elected at each annual meeting of directors to hold office for three (3) year terms, such terms to be staggered so that approximately one third (1/3) of the board members are elected each year; however, if any annual meeting is not held or the directors are not elected at any annual meeting, they may be elected at any special directors' meeting held for that purpose. Each director, including a director elected to fill a vacancy or elected at a special directors' meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. There are no term limits for directors.

### **SECTION 4. VACANCIES**

(a) Events causing vacancy. A vacancy or vacancies in the board of directors shall be deemed to exist on the occurrence of the following (i) the death, disability, resignation, or removal of any director, (ii) the declaration by resolution of the board of directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under Sections 5230 and following of the California Mutual Benefit Corporation Law, (iii) a director regularly fails to participate in attending directors' meetings or otherwise actively fulfill his/her duties as a director on a continuing basis in which case a director may be removed by a vote of a majority of the directors then serving, and (iv) an increase of the authorized number of directors.

(b) Resignations. Except as provided in this paragraph any director may resign, which resignation shall be effective on giving written notice to the president, the secretary, or the board of directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may elect a successor to take office when the resignation becomes effective. No director may resign when the Corporation would then be left without a duly elected director or directors in charge of its affairs.

(c) Vacancies filled by directors. The remaining directors may elect a director or directors at any time to fill any vacancy.

(d) No vacancy on 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.

(e) Restriction on interested directors. Not more than 49% of the persons serving on the board of directors at any time may be interested persons. An interested person is (1) any person being, 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 (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

## **SECTION 5. PLACE OF MEETINGS; MEETINGS BY TELEPHONE**

Regular meetings of the board of directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the board. In the absence of such designation, regular meetings shall be held at the principal executive office of the Corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the Principal executive office of the Corporation. Notwithstanding the above provisions of this Section 5, a regular or special meeting of the board of directors may be held at any place consented to in writing by at least seventy-five (75%) of all the board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting. Directors, with the consent of other directors personally attending a regular or special meeting of the board of directors, may attend such meetings by conference telephone or similar communications equipment.

## **SECTION 6. ANNUAL MEETING**

The board of directors shall hold an annual meeting for the purpose of organization, election of directors and officers, and the transaction of other business. Notice of this meeting shall not be required except to the extent required by California law.

## **SECTION 7. OTHER REGULAR MEETINGS**

Other regular meetings of the board of directors shall be held without call at such time as shall from time to time be fixed by the board of directors. Such regular meetings may be held without notice.

## **SECTION 8. SPECIAL MEETINGS**

(a) Authority to call. Special meetings of the board of directors for any purpose may be called at any time by the chairman of the board or the president, or any vice president, the secretary, or any two directors.

(b) Notice.

(i) Manner of giving. Notice of the time and place of special meetings shall be given to each director by one of the following methods (a) by personal delivery or written notice; (b) by first class mail, postage paid; (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or (d) by facsimile, email or other electronic form of communication. All such notices shall be given or sent to the director's address, facsimile number, email or telephone number as shown on the records of the Corporation.

(ii) 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, or electronically shall be delivered, telephoned, or given to the recipient's contact information of record at least 48 hours before the time set for the meeting.

(iii) Notice contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of meeting.

## **SECTION 9. QUORUM**

A majority of the then authorized and elected number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article VI. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of directors. Notwithstanding the forgoing, the removal of a director as provided in Section 4a(iii) of this Article VI above and amendments to these by-laws as provided in Article XIII shall require a vote of a majority of the directors then serving, such vote taken at a meeting at which a quorum is present. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

## **SECTION 10. WAIVER OF NOTICE**

The transactions of any meeting of the board of directors 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 (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not 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. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

## **SECTION 11. ADJOURNMENT**

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

## **SECTION 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 13. ACTION WITHOUT MEETING**

Any action required or permitted to be taken by the board of directors, may be taken without a meeting, if at least seventy-five (75%) of the members of the board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a majority vote of the board of directors. Any such written consent by all of the members of the board shall have the same force and effect as a unanimous vote of the board. Such written consent or consents shall be filed with the minutes of the proceedings of the board.

## **ARTICLE VII**

### **COMMITTEES**

#### **SECTION 1. COMMITTEES OF DIRECTORS AND MEMBERS**

The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of one or more directors, and other members of the Corporation, to serve at the pleasure of the board. The designated chairperson of any committee shall be a member of the board. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

- (a) Fill vacancies on the board of directors or in any committee;
- (b) Fix compensation of the directors for serving on the board or on any committee;
- (c) Amend or repeal by-laws or adopt new by-laws;
- (d) Amend, or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;
- (e) Appoint any other committees of the board of directors or the members of these committees;
- (f) Expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected.
- (g) Approve any transaction (1) to which the Corporation is a party and one or more directors or committee members have a material financial interest; or (2) between the Corporation and one or more of its directors or between the Corporation or any person in which one or more of its directors or committee members have a material financial interest.

#### **SECTION 2. MEETINGS AND COMMITTEES**

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VI of these by-laws, concerning meetings of directors, with such changes in the context of those by-laws 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 the committee chairperson. 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. Committees shall report to the board as to their activities, recommendations and/or actions at then next regularly scheduled board meeting. Committee reports need not be in writing but written summaries of committee reports are preferred so that they can be incorporated into the minutes of the board meetings. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these by-laws.

## **ARTICLE VIII**

### **OFFICERS**

#### **SECTION 1. OFFICERS**

The officers of the Corporation shall be a president or co-presidents, a secretary, and a chief financial officer. The Corporation may also have, at the discretion of the board of directors, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article VIII. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as the president or as a co-president.

#### **SECTION 2. ELECTION OF OFFICERS**

The officers of the Corporation, except those appointed in accordance with the provisions of Section 3 of this Article VIII, shall be chosen by the board of directors, and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

#### **SECTION 3. SUBORDINATE OFFICERS**

The board of directors may appoint, and may authorize the president or another officer to appoint, any other officers that the business of the Corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the by-laws or determined from time to time by the board of directors.

#### **SECTION 4. REMOVAL OF OFFICERS**

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the board of directors, at any regular or special meeting of the board, or, except in case of an officer chosen by the board of directors, by an officer on whom such power of removal may be conferred by the board of directors.

## **SECTION 5. RESIGNATION OF OFFICERS**

Any officer may resign at any time by giving written notice to the president or secretary of 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 6. VACANCIES IN OFFICES**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these by-laws for regular appointment to that office.

## **SECTION 7. RESPONSIBILITIES OF OFFICERS**

(a) President. Subject to such supervisory powers as may be given by the board of directors, the president (or co-presidents) shall, subject to the control of the board of directors, generally supervise, direct, and control the business and the officers of the Corporation. The president shall preside at all meetings of the board of directors. He or she shall have such other powers and duties as may be prescribed by the board of directors or the by-laws.

(b) Vice president. In the absence or disability of the president or all co-presidents, the vice presidents, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors.

(c) Secretary. The secretary shall attend to the following:

(i) Book of minutes. The secretary shall keep or cause to be kept, at the principal executive office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors and committees of directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings.

(ii) Notices, seal and other duties. The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by the by-laws to be given. The secretary shall have such other powers and perform such other duties as may be prescribed by the board of directors or the by-laws.

(d) Chief financial officer. The chief financial officer shall attend to the following:

(i) Books of account. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct' books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, 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.

(ii) Deposit and disbursement of money and valuables. The chief financial officer shall cause the deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as maybe designated by the board of directors; shall supervise and oversee the disbursement of funds of the Corporation by the Corporations authorized administrator as may be authorized by the board of directors; shall cause to be submitted to the president and directors, whenever they request it, an account of all of transactions by the Corporation's administrator and of the financial condition of the Corporation as reported to the chief financial officer and shall have other powers and perform such other duties as may be prescribed by the board of directors or the by-laws. The chief financial officer shall have the authority and power without further action of the board of directors to audit the books, records and accounts of the Corporation as maintained by the Corporations administrator and shall in such case report to the board of directors regarding his/her findings if material and relevant.

(iii) Bond. If required by the board of directors or applicable law, the chief financial officer 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.

## ARTICLE IX

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

#### SECTION 1. DEFINITIONS

For the purpose of this Article,

(a) "Agent" means any person who is or was a director, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic Corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this Corporation or of another enterprise at the request of the predecessor corporation;

(b) "Proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

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

## **SECTION 2. SUCCESSFUL DEFENSE BY AGENT**

To the extent that an agent of this Corporation has been successful on the merits in the defense of any proceeding referred to in this Article IX, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him, then the provisions of Sections 3 through 5 shall determine whether the agent is entitled to indemnification.

## **SECTION 3. ACTIONS BROUGHT BY PERSONS OTHER THAN THE CORPORATION**

Subject to the required findings to be made pursuant to Section 5 below, this Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceedings other than an action brought by, or on behalf of, this Corporation, or by an officer, director or person granted related status by the Attorney General, or by the Attorney General on the ground that the defendant director was or is engaging in self-dealing within the meaning of California Corporations Code Section 5233, or by the Attorney General or a person granted related status by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of this Corporation, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

## **SECTION 4. ACTION BROUGHT BY OR ON BEHALF OF THE CORPORATION**

(a) Claims settled out of court. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this Corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding.

(b) Claims and suits awarded against agent. This Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of this Corporation by reason of the fact that the person is or was an agent of this Corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:

(i) The determination of good faith conduct required by Section 5, below must be made in the manner provided for in that section; and

(ii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be

entitled to indemnify for or otherwise approve the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

## **SECTION 5. DETERMINATION OF AGENT'S GOOD FAITH CONDUCT**

The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

(a) Required standard of conduct. The agent seeking reimbursement must be found, in the manner provided below, that he acted in good faith, in a manner he believed to be in the best interest of this Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he or she reasonably believed to be in the best interest of this Corporation or that he or she had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had a reasonable cause to believe that his conduct was unlawful.

(b) Manner of determination of good faith conduct. The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:

(i) The board of directors by a majority vote of a quorum consisting of directors who are not parties to the proceeding; or

(ii) The court in which the proceeding is or was pending. Such determination may be made on application brought by this Corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by this Corporation.

## **SECTION 6. LIMITATIONS**

No indemnification or advance shall be made under this Article IX, except as provided in Sections 2 or 4(b), in any circumstance when it appears:

(a) That the indemnification or advance would be inconsistent with a provision of the articles, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

## **SECTION 7. ADVANCE OF EXPENSES**

Expenses incurred in defending any proceeding may be advanced by this Corporation before the final disposition of the proceeding on receipt of an undertaking by or on

behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

#### **SECTION 8. CONTRACTUAL RIGHTS OF NONDIRECTORS AND NONOFFICERS**

Nothing contained in this Article shall affect any right to indemnification to which persons other than directors and officers of this Corporation, or any subsidiary hereof, may be entitled by contract otherwise.

#### **SECTION 9. INSURANCE**

The board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether, or not this Corporation would have the power to indemnify the agent against that liability under the provisions of this section.

#### **SECTION 10. FIDUCIARIES OR CORPORATE EMPLOYEE BENEFIT PLAN**

This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be corporation as defined in Section 1 of this Article IX. Nothing contained in this Article IX shall limit any right to indemnification to which such a trustee, investment manager, or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by applicable law.

#### **SECTION 11. ADOPTION OF POLICIES AND PROCEDURES IN COMPLIANCE WITH SARBANES-OXLEY ACT OF 2002.**

The Corporation has adopted and is attaching to these By Laws the following Policies and Procedures in compliance with the requirements of the Sarbanes-Oxley Act of 2002 each of which is incorporated herein by this reference:

Attachment 1-Whistleblower Policy

Attachment 2- Conflict of Interest Policy

Attachment 3- Document Retention and Destruction Policy

Attachment 4- Joint Venture Policy

Attachment 5- Policy on the Process of Determining Compensation

### **ARTICLE X**

#### **RECORDS AND REPORTS**

## **SECTION 1. MAINTENANCE AND INSPECTION OF ARTICLES AND BY-LAWS**

The Corporation shall keep at its principle executive office or at such other office or location within Los Angeles or Orange County, California as may be determined by the board of directors , the original or a copy of the articles and by-laws as amended to date, which shall be open to inspection by members in good standing of the Corporation.

## **SECTION 2. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS**

The accounting books, records, and minutes of proceedings of the board of directors and any committee(s) of the board of directors shall be kept at such place or places designated by the board of directors, or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form, and the accounting 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. The minutes and accounting books and records shall be open to inspection at any reasonable time during usual business hours. These rights of inspection shall extend to the records of each subsidiary corporation of the Corporation.

## **SECTION 3. INSPECTION BY DIRECTORS**

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. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

## **SECTION 4. ANNUAL REPORT**

Nothing in these by-laws shall be interpreted as prohibiting the board of directors from issuing annual or other periodic reports of the Corporation as they consider appropriate. However, the Corporation shall provide to the directors, within 120 days of the close of its fiscal year, a report containing the following information in reasonable detail:

- (1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
- (5) Any information required by California Corporations Code Section 6322.

## **ARTICLE XI**

### **CONSTRUCTION AND. DEFINITIONS.**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these by-laws. 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.

## **ARTICLE XII**

### **AMENDMENTS**

These by-laws may be adopted, amended or repealed by a vote of an absolute majority of the board of directors at a meeting duly held at which a quorum is present.