

**BYLAWS OF ACFLS CHARITABLE FOUNDATION,  
INC.,**

**A CALIFORNIA NONPROFIT PUBLIC BENEFIT  
CORPORATION**

**Section 1.01 *Corporate Name.*** The name of this corporation is: ACFLS Charitable Foundation, Inc.

**Section 1.02 *Principal Office.*** The principal office for the transaction of the activities and affairs of this corporation is located at 350 Crown Point Circle, Suite 250, Grass Valley, California, 95945 in Nevada County, California. The board of directors may change the location of the principal office. Any such change of location must be noted by the secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location. 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.

**Section 1.03 *General and Specific Purposes; Limitations.*** The purpose of this corporation is to carry on public charitable activities as set forth in the Articles of Incorporation. In the context of these general purposes, the corporation shall raise funds and seek donations for the purpose of making grants of funds to persons and/or entities who are working to improve the access to, education about, or understanding of the California family law process, for affected persons, families, or groups in need and to carry on other charitable activities associated with this goal as allowed by law.

Also in the context of these purposes, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purposes of this corporation, and the corporation shall not carry on any other

activities not permitted to be carried on by (a) a corporation exempt from federal income tax under Internal Revenue Code §501(c)(3) or the corresponding provision of any future United States internal revenue law, or (b) a corporation, contributions to which are deductible under Internal Revenue Code §170(c)(2) or the corresponding provision of any future United States internal revenue law.

**Section 1.04 *Construction and Definitions.*** Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

**Section 1.05 *Irrevocable Dedication of Assets.*** This corporation’s assets are irrevocably dedicated to public benefit/charitable 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 §501(c)(3).

**Section 1.06 *No Members.***

This corporation shall have no voting members within the meaning of the Nonprofit Corporation Law.

**Section 2.01 *Board of Directors.***

***General Powers of Board.*** 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 regarding actions that require approval of the members, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board.

***Specific Powers of the Board***

Without prejudice to the general powers set forth above, but subject to the same limitations, the board shall have the power to do the following:

(1) Appoint and remove, at the pleasure of the board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service.

(2) 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; conduct its activities in or outside California; and designate a place in or outside California for holding any meeting of members.

(3) 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.

(4) Adopt and use a corporate seal and alter the forms of the seal.

***Section 2.02 Number of and Qualifications for Directors.***

The board of directors shall consist of at least five (5) but no more than fifteen (15) directors unless changed by amendment to these bylaws. The exact number of directors shall be an odd fixed number within those limits, by a resolution adopted by the board of directors, from time to time. The qualifications for directors are that such persons be age 18 or older, have background, education and experience in the operations of the family law courts of the State of California and have such other qualifications as the board may specify from time to time.

### ***Section 2.03 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 (1) 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 (2) 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 2.04 Initial Directors.***

Nine (9) initial directors shall be designated by the incorporators. Each director shall hold office for two (2) years and until a successor director has been designated and qualified. Terms shall be staggered as determined by the initial directors. The initial directors are those persons whose names are attached to these bylaws as Exhibit A. The initial directors shall serve until the later of the date of the annual meeting or the date of election or selection of his or her successor.

### ***Section 2.05 Nominations by Committee.***

The chair of the board or, if none, the president, shall appoint a committee to nominate qualified candidates for election to the board at least ninety (90) days before the date of any election of directors. The nominating committee shall make its report at least sixty (60) 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 of the board with the notice of meeting required by these bylaws, a list of all candidates nominated by committee.

### ***Section 2.06 Events Causing Vacancies on Board.***

A vacancy or vacancies on the board of directors shall occur in the event of (1) the death, removal, or resignation of any director; (2) 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; (3) the vote of a majority of all directors to remove the director(s); (4) the increase of the authorized number of directors; or (5) the failure of the directors to elect the number of directors required to be elected at such meeting.

### ***2.07 Resignation of Directors.***

Except as provided below, any director may resign by giving written notice to the chair of the board, if any, or to the president or the secretary of the board. 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 on notice to the California Attorney General, no director may resign if the

corporation would be left without a duly elected director or directors.

### ***2.08 Removal of Directors.***

Any director may be removed, with or without cause, by the vote of the majority 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 Section [*insert appropriate section number*] Any vacancy caused by the removal of a director shall be filled as provided in Section 2.05 and 2.09.

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

Any director who does not attend three successive board meetings will automatically be 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 which 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 agrees to reinstate the director who has missed three meetings.

### ***Section 2.09 Vacancies Filled by Board.***

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 according to notice or waivers of notice complying with Corporations Code §5211, or (3) a sole remaining director.

### ***Section 2.10 Place of Board Meetings.***

Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

### ***Section 2.11 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 both the following apply:

(1) Each member participating in the meeting can communicate concurrently with all other members.

(2) 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.

### ***Section 2.12 Annual and Other Meetings.***

*Annual Meeting of Board.* The board shall annually hold a general meeting for purposes of organization, election of officers, and transaction of other business.

Other general meetings of the board may be held without notice at such time and place as the board may fix from time to time.

### **Section 2.13 Authority to Call Special Meetings.**

Special meetings of the board for any purpose may be called at any time by the chair of the board, if any, the president or any vice president, the secretary, or any two directors.

### **Section 2.14 Notice of Special Meetings.**

*Notice of Special Meetings.* Notice of the time and place of special meetings shall be given to each director by (1) personal delivery of written notice; (2) first-class mail, postage prepaid; (3) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, 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; (4) facsimile; (5) electronic mail; or (6) 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 transmission shall be delivered, telephoned, or sent, respectively, at least 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 notice need not specify the purpose of the meeting.



### **Section 2.15: *Quorum.***

A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. 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 (1) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (2) approval of certain transactions between corporations having common directorships, (3) creation of and appointments to committees of the board, and (4) 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.

### **Section 2.16 *Waiver of Notice.***

Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. 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 meetings. 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 2.17 *Adjournment.***

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

### **Section 2.18 *Notice of Adjourned Meeting.***

Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another 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 2.19 *Action without a Meeting.***

An action required or permitted to be taken by the board may be taken without a meeting if all directors individually or collectively consent in writing to that action and if, subject to Corporations Code §5224(a) the number of directors then in office constitutes a quorum. The written consent or consents shall be filed with the minutes of the proceedings of the board. The action by written consent shall have the same force and effect as a unanimous vote of the directors. For purposes of Corporations Code §5211(b) only, “all directors” does not include an “interested director” as defined in Corporations Code §5233(a) or a “common director” as described in Corporations Code §5234(b) who abstains in writing from providing consent, when (i) the facts described in Corporations Code §5233(d)(1) or (d)(2) are established or the provisions of Corporations Code §5233(a) are satisfied, as appropriate, at or before the execution of the written consent or consents; (ii) the establishment of those facts or satisfaction of those provisions is included in the written consent or consents executed by the noninterested or noncommon directors or in other records of the corporation; and (iii) the noninterested or noncommon directors approve the action by a vote that is sufficient without counting the votes of the interested directors or common directors.

### **Section 2.20 *Reimbursement.***

Directors and members of committees of the board 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 2.21 *Director Voting.***

*Director Voting.* Each director shall have one vote on each matter presented to the board of directors for action. No director may vote by proxy.

### **Section 3.01 *Creation and Powers of Committees.***

The board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the board, to the extent provided in the board resolution, except that no committee may do the following:

- (1) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (2) Fill vacancies on the board or any committee of the board;
- (3) Fix compensation of the directors for serving on the board or on any committee;
- (4) Amend or repeal bylaws or adopt new bylaws;
- (5) Amend or repeal any resolution of the board that by its express terms is not so amendable or repealable;

(6) Create any other committees of the board or appoint the members of committees of the board; or

(7) Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Corporations Code §5233(d)(3).

### **3.02 *Audit Committee.***

The corporation shall have an audit committee consisting of at least two directors, and may include nonvoting advisors. Directors who are employees or officers of the corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the corporation may not serve on the audit committee. The audit committee shall perform the duties and adhere to the guidelines set forth in the corporation's audit committee charter as amended from time to time by the board. Such duties include, but are not limited to:

(1) Assisting the board in choosing an independent auditor and recommending termination of the auditor, if necessary;

(2) Negotiating the auditor's compensation;

(3) Conferring with the auditor regarding the corporation's financial affairs; and

(4) Reviewing and accepting or rejecting the audit.

Members of the audit committee shall not receive compensation for their service on the audit committee in excess of that provided to directors for their service on the board. If the corporation has a finance committee, a majority of the members of the audit committee may not concurrently serve as members of the finance committee, and the chair of the audit committee may not serve on the finance committee.

### **Section 3.03 *Executive Committee.***

Pursuant to Section 3.01 of these bylaws, the board may appoint one or more directors of the corporation to serve along with the officers as the Executive Committee of the board. The executive committee, unless limited by a resolution of the board, shall have and may exercise all the authority of the board in the management of the business and affairs of the corporation between meetings of the board; provided, however, that the executive committee shall not have the authority of the board in reference to those matters enumerated in Section 2.22. All actions of the executive committee shall be reported to and ratified by the full board at the next duly scheduled board meeting.

### **Section 3.04 *Investment Committee.***

This corporation may have an investment committee comprised of not less than three directors. The committee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the institution. Individual investments shall be considered as part of an overall investment strategy. The committee shall consider present and future financial requirements, expected total return, general economic conditions, appropriate level of risk, appropriate levels of income, growth and long-term net appreciation, and the probable safety of the funds. The committee may retain professional money managers, and shall develop an investment policy that shall be reconsidered at least annually, in light of the changing needs of the corporation, economic conditions, and any other factors that may affect the corporation's tolerance of risk and need for income. The committee may recommend the retention of property contributed by a donor (whether or not it produces income), and a donor's

request should be a factor in making the determination of whether to sell a particular asset contributed by a donor.

**Section 3.05 *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 board committees and the calling of special meetings of board 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.

**Section 4.01 *Officers of the Corporation.***

The officers of this corporation shall be a president, a vice-president, a secretary, and a chief financial officer.

**Section 4.02 *Election of Officers.***

The officers of this corporation, except any appointed under Section 4.03 of these bylaws, shall be chosen annually by the board and shall serve at the pleasure of the board, subject to the rights of any officer under any employment contract.

**Section 4.03 *Appointment of Other Officers***

The board may appoint and authorize the chair of the board, the president, 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 4.04 *Removal of Officers***

Without prejudice to the rights of any officer under an employment contract, 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 4.05 *Resignation of Officers.***

Any officer may resign at any time by giving written notice to the board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

#### **Section 4.06 *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. However, vacancies need not be filled on an annual basis.

#### **Section 4.07 *President.***

Subject to such supervisory powers as the board may give to the chair of the board, if any, and subject to the control of the board, the president shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers. The president shall preside at all members' meetings and, in the absence of the chair of the board, or if none, at all board meetings. The president shall have such other powers and duties as the board or the bylaws may require.

#### **Section 4.08 *Vice President.***

If the president is absent or disabled, the vice president shall perform all duties of the president. When so acting, the vice

president shall have all powers of and be subject to all restrictions on the president. The vice president shall have such other powers and duties as the board or the bylaws may require.

#### **Section 4.09 *Secretary***

The secretary shall 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, of committees of the board, and of members' meetings. 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; the names of persons present at board and committee meetings; and the number of members present or represented at members' meetings.

The secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The secretary shall keep or cause to be kept, at the corporation's principal office or at a place determined by resolution of the board, a record of the corporation's members, showing each member's name, address, and class of membership.

The secretary shall give, or cause to be given, notice of all meetings of members, of the board, and of committees of the board that these bylaws require to be given. The secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may require.

#### **Section 4.10 *Chief Financial Officer.***

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of



the corporation's properties and transactions. The chief financial officer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any director at all reasonable times.

The chief financial officer shall (1) 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 the board may designate; (2) disburse the corporation's funds as the board may order; (3) render to the president, chair of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the corporation; and (4) have such other powers and perform such other duties as the board or the bylaws may require.

If required by the board, 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 the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

### **Section 5.01 *Contracts With Directors.***

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 (1) 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; (2) 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; (3) before authorizing or approving the transaction, the board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (4) 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 (1) is approved or authorized by the corporation in good faith and without unjustified favoritism and (2) 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.

This Section does not apply to a transaction that is part of a public, charitable, or related program of this corporation if it (1) is approved or authorized by the corporation in good faith and without unjustified favoritism and (2) 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 public, charitable, or religious program of this corporation.

### ***Section 5.02 Loans to 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.

### **Section 5.02 *Indemnification.***

*Indemnification.* To the fullest extent permitted by law, this corporation shall indemnify its directors and officers, and may indemnify employees and other persons described in Corporations Code §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 §5238(b) or §5238(c), the board shall promptly decide under Corporations Code §5238(e) whether the applicable standard of conduct set forth in Corporations Code §5238(b) or §5238(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification because the number of directors who are parties to the proceeding, with respect to which indemnification is sought, prevents the formation of a quorum of directors who are not parties to that proceeding, the board shall promptly call a meeting of members. At that meeting, the members shall determine under Corporations Code §5238(e) whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy 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 these bylaws in defending any proceeding covered by those Sections 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 5.03 *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. Obtaining such insurance shall be a task for the initial board of directors.

### **Section 6.01 *Maintenance of Corporate Records.***

*Corporate Records.* This corporation shall keep the following:

- (1) Adequate and correct books and records of account;
- (2) Minutes of the proceedings of its members, board, and committees of the board; and
- (3) A record of each member's name, address, and class of membership.

The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

### **Section 6.02 *Directors' Right to Inspect***

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

corporation. 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 books, records, and documents of every kind.

### **Section 6.03 *Annual Report.***

The board shall cause an annual report to be sent to the directors within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate 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;
- (3) The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (4) The corporation's expenses or disbursements for both general and restricted purposes;
- (5) Any information required by these bylaws; and
- (6) 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.

This requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year; provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors and to any member who requests it in writing. If the board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic

transmission. If a report sent to the Attorney General in compliance with the requirements of Govt C §§12580–12599.7 includes the information required in the annual report, then the corporation may furnish a copy of its report to the Attorney General in lieu of the annual report whenever it is required to furnish an annual report.

### **Section 6.04 *Annual Statement of Certain Transactions and Indemnifications.***

As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation’s fiscal year, annually prepare and mail, deliver, or send by electronic transmission to each member and furnish to each director a statement of any transaction or indemnification of the following kind:

(1) Any transaction (a) in which the corporation, or its parent or subsidiary, was a party, (b) in which an “interested person” had a direct or indirect material financial interest, and (c) that 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

(i) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

(ii) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of 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.

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

### **Section 6.05 *Private Foundation Restrictions.***

This corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Internal Revenue Code §4942, shall not engage in any act of self-dealing as defined in Internal Revenue Code §4941(d), shall not retain any excess business holdings as defined in Internal Revenue Code §4943(c), shall not make any investments in a manner as to subject it to tax under Internal Revenue Code §4944, and shall not make any taxable expenditures as defined in Internal Revenue Code §4945(d).

### **Section 7.01 *Fiscal Year***

The fiscal year of the corporation shall end on December 31 each year.

### **Section 7.02 *Amendments to Bylaws.***

These bylaws may be adopted, amended, or repealed by a majority vote of the entire Board of Directors; provided, however, that the amendment or repeal of this Section 7.02 shall require unanimous approval of the board.

I, the undersigned, the duly elected Secretary of ACFLS CHARITABLE FOUNDATION, INC, a California nonprofit public benefit corporation, do hereby certify:

That the foregoing bylaws consisting of 15 pages were adopted as the bylaws of the Corporation on February 5, 2016, and the same do now constitute the Bylaws of said Corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this \_\_\_\_\_ (date).

[Exhibit A, attached]