

**BYLAWS OF
POLK INSTITUTE
FOUNDATION**

A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

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**BYLAWS OF POLK INSTITUTE FOUNDATION,
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

ARTICLE I: OFFICES AND AGENTS

Section 1. Corporate Name.

The name of this corporation is Polk Institute Foundation

Section 2. Principal Executive Office.

The principal office for the transaction of the activities and affairs of this corporation is located at 1552 E. Cyrene Drive in Los Angeles 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 3. Purpose.

The purpose of this corporation is to shall be to help improve community standards through the social entrepreneurship education of potential business owners, allowing the formation of commercial enterprises with social purpose goals. In supporting this effort, the corporation shall: provide instructional training courses to accepted candidates correlated with the purpose; provide instructors with the necessary experience to support the training course; and create events that may provide opportunities of professional networking and potential funding to accepted candidates.

This corporation is organized exclusively for educational and charitable purposes within the meaning of Internal Revenue Code §501(c)(3) or the corresponding provision of any future United States internal revenue law.

Section 4. Registered Agents

The Corporation shall have and maintain a registered agent within the State of California and within all other states in which it is required by applicable law.

ARTICLE 2: GENERAL PROVISIONS

Section 1. General Provisions.

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 2. Irrevocable Dedication of Assets.

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

Section 3: Supporting Organization Restrictions

This Corporation shall not accept any contribution from any “prohibited person.”

For purposes of this Section, a “prohibited person” is:

- (1) a person who controls, directly or indirectly, either alone or with persons listed described in (2) and (3) below, the governing body of this Corporation or any successor organization designated pursuant to Article 4 Section 4 of these Bylaws;
- (2) a member of the family of an individual listed in (1) above;
- (3) a corporation, partnership, trust, or estate more than 35 percent of which is actually or constructively controlled by persons described in (1) or (2) above. For purposes of this Section, a member of an individual’s family includes his or her spouse, ancestors, children, grandchildren, great-grandchildren, and spouses of children, grandchildren, and great-grandchildren, as well as the individual’s brothers and sisters, by whole or half blood, and their spouses.

ARTICLE III: DEFINITIONS

Section 1. Definitions for the Bylaws

The following definitions shall be applied to this set of bylaws:

<i>Board</i>	shall mean the Board of Directors of PIF.
<i>Committee</i>	shall mean a subgroup of the Board that shall have at a minimum two members appointed by the Board and up to a maximum of eight additional Committee members except for the Executive Committee.
<i>Contract</i>	shall mean a mutual set of promises to perform between PIF and one or more vendors for consideration.
<i>Executive Committee</i>	shall mean a subgroup of the Board that is responsible for the overall direction and fiscal health of PIF. The Executive Committee is formed by the President, Treasurer, Secretary, and two additional members of the Board elected to the position.
<i>Executive Role</i>	shall mean any of these positions within PIF: the Executive Director; Chief Executive Officer (CEO); Chief Financial Officer (CFO); Chief Operations Officer (COO); all positions with “Chief” in the title; and all positions that are classified as Vice President or above.
<i>Nonprofit Corporation</i>	shall mean PIF and may be used interchangeably with PIF.
<i>PIF</i>	shall mean the Polk Institute Foundation, the nonprofit organization to which these bylaws are applicable.
<i>Self Dealing</i>	shall mean when an action is taken by any member of the Board of Directors or any person who is an executive role with PIF who acts in their own best interest in a transaction or in a manner that will benefit third party(ies) related to the PIF member.

ARTICLE IV: DIRECTORS - MANAGEMENT

Section 1: 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 PIF's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

Section 2: Specific Powers of the Board

Without prejudice to the general powers set forth in Section 1 of these bylaws, 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 and certificates.

Section 3: Number of and Qualifications for Directors

The Board shall consist of at least seven (7) but no more than fifteen (15) directors unless changed by amendment to these bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board of directors. The qualifications for incoming directors those are:

- (a) A minimum of five years of experience working in a business/corporation environment;
- (b) At least a bachelors degree from an accredited institution of higher learning;
- (c) Able to submit to an appropriate background check as designated by the Board; and
- (d) Must not have any criminal background involving any felony, fraud, larceny, or financial crimes that would negatively impact the professional image or goodwill of the Corporation as the Board may determine.

Once qualified, members of the Board are required to maintain strict adherence in the maintenance of their qualifications as a Director for the duration of their term of the Board. The

term of each Director shall be a period of three years and renewable for a term of three years upon election.

Section 4: Restriction on Interested Persons as Directors

No more than 49 percent of the persons serving on the Board may be “interested persons.” An interested person is (1) any person compensated by PIF 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 PIF.

Section 5: Initial Designated Directors

The initial designated directors of the Board shall be the following:

President:	Gary L Polk, Sr.
Secretary:	Claudine J. Polk
Treasurer:	Michael S. Manahan
Director:	Deborah Goldfarb
Director:	Brodie Childers

Each of the initial designated directors shall hold office for three (3) years until a successor director has been designated and qualified to the position.

Section 6: Executive Committee

An Executive Committee will be constituted from the members of the Board consisting of no less than five (5) directors and must include the following: President, Secretary, and Treasurer.

Section 7: Other Committees of the Board

One or more Committees of the Board may be appointed by resolution passed by a majority of the authorized number of Directors of the Board. Committees shall be composed of two (2) or more members of the Board, and shall have such powers of the Board as may be expressly delegated to it by resolution of the Board of Directors, as permitted by the Corporation Law, except those powers expressly made non-delegable by Section 5033 and 5034.

The provisions of these bylaws governing meetings of the Board, notices of meeting, waiver of notice, quorum and voting shall apply to meetings of a Committee. Any Committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except with respect to:

- (1) the adoption, amendment, or the approval of any action for which this part also requires approval of all the members of the Board or approval of a majority of all members of the Board;
- (2) the creation or filling of vacancies on the Board or any Committee of the Board;
- (3) the fixing of compensation of the Directors for serving on the Board or on any Committee;
- (4) the adoption, amendment or repeal of Bylaws or the adoption of new Bylaws;

- (5) the amendment of the Articles of Incorporation;
- (6) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (7) the expenditure of the nonprofit corporation's funds to support a nominee for director after there are more people nominated for director than can be elected
- (8) the appointment of any other Committees of the Board of Directors or the members of these Committees;
- (9) the approval of any self-dealing transaction except as provided in paragraph (3) of subdivision (d) of Section 5233 of the Corporations Code which requires the approval by a majority of the Board and may not be delegated to a Committee; or
- (10) with respect to any assets held in charitable trust, approve any contract or transaction between this corporation and one or more of its directors or between this corporation and an entity in which one or more of its directors have a material financial interest, subject to the approval provisions of Corporations Code §5233(d)(3).

Section 7: Nomination by Committee

The President shall appoint a Committee to nominate qualified candidates for election to the Board at least one hundred and twenty (120) 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 8: Floor Nominations

When a meeting is held for the election of directors, any member present at the meeting in person or by proxy may place names in nomination.

Section 9: Nominee's Right to Solicit Votes

The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members of the Board the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

Section 10: Use of Corporate Funds to Support Nominee

If more people have been nominated for director than can be elected, no corporate funds may be expended to support a nominee without the Board's authorization.

Section 11: 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 provided, however, that a director who was designated as a director, rather than elected by the members, may be removed by the person or persons who designated that director, and may not be removed without the written consent of that person or persons;

(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; or

(3) the increase of the authorized number of directors.

Section 12: 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.

Section 13: Removal of Directors

If the corporation has no members, 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 Article V Section 3. However, a director who was designated as a director rather than elected by the members may be removed without cause by the person or persons who designated that director, and may not be removed without the written consent of that person or persons. Any vacancy caused by the removal of a director shall be filled as provided in Article IV Section 2.

Any director who does not attend three successive Board meetings will automatically be removed from the Board without Board resolution unless:

(1) 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;

(2) 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

(3) The Board by resolution of the majority of Board members agrees to reinstate the director who has missed three meetings.

Section 14: Vacancies Filled by the Board

Except for a vacancy created by the removal of a director, 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 15: No Vacancy on Reduction of Number of Directors

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

Section 16: Responsibilities of the President

If a President of the Board is elected, he or she or they shall preside at Board meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time. The president shall be the general manager of the corporation and shall supervise, direct, and control the corporation's overall nonprofit goals, activities, affairs, and officers. The president shall preside at all meetings of the Board and will take all steps to ensure the integrity of the transaction of business and the proper adherence to the procedures regarding Board resolutions. The President will reserve voting on any resolution where there is a clear majority as defined in Article V Sections 6 and 14 and shall only cast a vote when required to resolve the motion in the event of a tie regarding the motion for a resolution.

The President shall have such other powers and duties as the Board or the bylaws may require.

Section 17: 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 information for all Directors.

The Secretary shall give, or cause to be given, notice of all meetings of the Board, and of Committees of the Board that these bylaws require to be given. 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 18: Treasurer

The Treasurer shall provide financial management and oversight over all financial affairs of PIF including the activities of the CFO. The Treasurer shall serve to advise and consent on financially related matters if the Finance Committee or the Investment Committee or the

Compensation Committee have been enacted. The Treasurer shall facilitate in the preparation of an annual budget and shall regularly monitor and compare actual revenues and expenses incurred against the PIF annual budget.

The Treasurer shall act as the financial liaison for the Board and will assist in the interpretation of financial concepts and information and cause the preparation of financial reports that concisely show the financial health of the organization. The Treasurer shall be responsible for completing all financial reporting forms for all nonprofit regulatory agencies.

The Treasurer shall review methods of properly achieving funding goals as established by the Board, and provide guidance to the Board in any aspect of PIF's financial partnerships with other nonprofit organizations.

Section 19: Director

Each Director of the PIF Board whether appointed or elected is responsible for the PIF's corporate policy. In addition to meeting the qualifications under Article IV Section 3, each Director must perform their duties to PIF as fiduciaries and in the best interest of PIF. The Director is responsible for reviewing the merits and consequences of each resolution brought before the Board in the context of direction of the Nonprofit Corporation. Each Director shall be assigned one vote on the Board in support of the primary purpose of PIF. Each Director shall have such other powers and perform such other duties as the Board or the bylaws may require.

The term of each Director shall not exceed three years, whereby the position is subject to be placed for election.

Section 20: Advisory Director

There will be a maximum of three Advisory Directors on the Board. Each Advisory Director will be appointed by the Executive Committee and shall meet all requirements for qualification under Article IV Section 3. Each Advisory Director must perform their duties to PIF as fiduciaries and in the best of interest of PIF. The Advisory Director will provide additional guidance for each resolution brought before the Board in the context of direction of the Nonprofit Corporation. The Advisory Director is a non-voting position whose primary duty is to advise and consult. Each Advisory Director may perform duties as the Executive Committee outlines or as the bylaws may require.

ARTICLE V: MEETINGS OF DIRECTORS

Section 1: Annual Meetings of Directors

An annual meeting of members shall be held on the third Monday of December of each year at 4:00 p.m., unless the Board fixes another date or time and so notifies members as provided in Article V Sections 4 of these bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held on the next full business day. At the meeting, directors shall be elected and other proper business may be transacted, subject to Article 3 of these bylaws.

Section 2: Other Regular Meetings of Directors

An annual meeting of members of the Board shall be held on the third Monday of each quarter beginning in January at 4:00 p.m., unless the Board fixes another date or time and so notifies members as provided in Article V Section 4 of these bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held on the next full business day. Members of the Board will review progress towards the purpose of the Corporation and other proper business may be transacted at this meeting.

Section 3: Special Meeting of Directors and Required Notice

A special meeting of members of the Board can be called by the President or a majority vote of the Executive Committee or by 2 members of the Board for any lawful purpose at any time. The special meeting shall be by written request specifying the general nature of the business to be transacted, and addressed to the attention of the President of the Corporation. Upon receipt of the written request, the Executive Committee shall select one of the following forms of required notice:

- (1) Four (4) days by first class mail; or
- (2) Forty eight (48) hours notice delivered personally or by telephone, including voice messaging system or electronic transmission by the Corporation.

The same method of notice must be used to provide notice to every Member of the Board regarding the Special Meeting. The notice will specify the location, date, and time of the meeting. Any waiver of required notice must be made as provided in Article V Section 5 below.

No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 4: Notice of Meetings

Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to each member of the Board entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting, and the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall

state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

Section 5: Waiver or Lack of Notice of Meeting of Directors

If there is any lack of required notice of any meeting of Directors, then the transactions thereof are as valid as if had at a meeting regularly called and noticed provided all of the Directors are present at any Directors' meeting, however called or noticed, or all of the Directors not present sign a written consent to the holding of the meeting or approval of the minutes on the records of such meeting, before or after the time or date of meeting stated in the Notice. The waiver, consent or approval shall be filed with the Secretary of PIF for filing with the minutes or corporate records. If a Director attends a meeting without notice but without protesting prior thereto or at its commencement, the Director shall be treated as present at the meeting

Section 6: Quorum

Quorum is achieved when fifty (60) percent of the eligible members of the Board or Committee are present.

For the Board, unless the Articles of Incorporation or Bylaws require a greater number, the action of a majority of the Directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a minority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business. 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 a majority of the required quorum for such meeting.

Section 7: Place of Meeting

Meetings of the members shall be held at any place within or outside California designated by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the corporation's principal office. The Board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

(1) Authority for Electronic Meetings. Members of the Board or Committees may attend any meeting by electronic transmission by and to the corporation or by electronic video screen communication, participate in a meeting of members, be deemed present in person (or, if proxies are allowed, by proxy), and vote at a meeting of members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the corporation or by electronic video screen communication, subject to the requirements of these bylaws.

(2) Requirements for Electronic Meetings. A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the corporation or by electronic video screen communication (1) if the corporation implements reasonable measures to provide members in person (or, if proxies are allowed, by proxy) a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any member votes or takes other action at the meeting by means of electronic transmission to the

corporation or electronic video screen communication, a record of that vote or action is maintained by the corporation. Any request by a corporation to a member pursuant to Corporations Code §20(b) for consent to conduct a meeting of members by electronic transmission by and to the corporation shall include a notice that absent consent of the member pursuant to Corporations Code §20(b), the meeting shall be held at a physical location in accordance with Article V Section 7 of these bylaws.

Section 8: Notice of Certain Agenda Items.

Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (1) Removing a director without cause;
- (2) Filling vacancies on the Board;
- (3) Amending the articles of incorporation; or
- (4) Electing to wind up and dissolve the corporation.

Section 9: Manner of Giving Notice

Notice of any meeting of members shall be in writing and shall be given at least 10 but no more than 90 days before the meeting date. The notice shall be given either personally, by electronic transmission by the corporation, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member as it appears on the books of the corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that member by first-class mail or electronic or other written communication to the corporation's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(1) Electronic Notice. Notice given by electronic transmission by the corporation shall be valid only if:

- (1) Delivered by (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (b) posting on an electronic message Board or network that the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (c) other means of electronic communication;
- (2) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and
- (3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notwithstanding the foregoing,

(1) An electronic transmission by this corporation to a member is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper in nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (c) the procedures the recipient must use to withdraw consent.

(2) Notice shall not be given by electronic transmission by the corporation after either of the following: (a) the corporation is unable to deliver two consecutive notices to the member by that means or (b) the inability so to deliver the notices to the member becomes known to the secretary, any assistant secretary, or any other person responsible for the giving of the notice.

Section 10: Affidavit of Mailing Notice

An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the corporation, and if so executed, shall be filed and maintained in the corporation's minute book.

Section 11: Eligibility to Vote

Subject to the California Nonprofit Public Benefit Corporation Law, members of the Board in good standing on the record date as determined under Article IV Sections 3 and 4 of these bylaws shall be entitled to vote at any meeting of members.

Section 12: Manner of Voting

Voting may be by voice or by ballot, except that any election of directors must be by ballot if demanded before the voting begins by any member at the meeting.

Section 13: Number of Votes

Each member entitled to vote may cast one vote on each matter submitted to a vote of the members.

Section 14: Approval by Majority Vote

If a quorum is present, the affirmative vote of a sixty (60) percent of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Corporation Law or by the articles of incorporation.

Section 15: Action by Unanimous Written Consent

Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the members.

Section 16: Action by Written Ballot

Any action, except election of directors, that members may take at any meeting of members may also be taken without a meeting by complying with Article V Sections 14 and 15 of these bylaws.

Section 17: Solicitation of Written Ballots

This corporation shall distribute one written ballot to each member entitled to vote on the matter. The ballot and any related material may be sent by electronic transmission by the corporation, and responses may be returned to the corporation by electronic transmission that meets the requirements of Article V Section 9 of these bylaws. All solicitations of votes by written ballot shall (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action; (2) give the members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballot to the corporation.

In any election of directors, a written ballot that a member marks “withhold,” or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

Section 18 Number of Votes and Approvals Required

Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including ballots that are marked “withhold” or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

Section 19: Revoking Ballots

A written ballot may not be revoked.

Section 20: Filing Ballots

All written ballots shall be filed with the secretary of the corporation and maintained in the corporate records for at least three (3) years.

Section 21: Record Date for Notice, Voting, Written Ballots, and Other Board Actions

For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board of directors may, in advance, fix a record date. The record date so fixed for:

- (1) Sending notice of a meeting shall be no more than 90 nor less than 10 days before the date of the meeting;
- (2) Voting at a meeting shall be no more than 60 days before the date of the meeting;
- (3) Voting by written ballot shall be no more than 60 days before the day on which the first written ballot is mailed or solicited; and
- (4) Taking any other action shall be no more than 60 days before that action.

Section 21: Record Date for Actions Not Set by Board

If not otherwise fixed by the Board, the record date for determining members entitled to receive notice of a meeting of members shall be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held. If not otherwise fixed by the Board, the record date for determining members entitled to vote at the meeting shall be the day on which the meeting is held.

If not otherwise fixed by the Board, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

If not otherwise fixed by the Board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

For purposes of these bylaws, a person holding a position as a qualified Director of the Board at the close of business on the record date shall be a member of record.

Section 22: Directors' Proxy Rights

Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the member and filed with the secretary of the corporation. A proxy shall be deemed signed if the member's name is placed on the proxy by the member or the member's attorney-in-fact, whether by manual signature, typewriting, electronic signature, or otherwise.

Section 23: Solicited Proxies

Any form of proxy distributed by one Director to another Director shall give the member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification.

In an election of directors, any form of proxy that a member marks “withhold,” or otherwise marks in a manner indicating that authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

Section 24: Subject Matter of Proxy to Be Stated

Any proxy covering matters for which a vote of the members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, in an election of directors, the proxy lists the persons who have been nominated at the time the notice of the vote is given to the members. Such matters include amendments of the articles of incorporation or bylaws changing proxy rights; certain other amendments of the articles of incorporation; removal of directors without cause; filling vacancies on the Board of directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all corporate assets, unless the transaction is in the usual and regular course of the corporation’s activities; the principal terms of a merger or the amendment of a merger agreement; or the election to dissolve the corporation.

Section 25: Revocability of Proxies

No proxy shall be valid after the expiration of 11 months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be 3 years after the date of execution. A validly executed proxy shall continue in full force and effect until either

- (1) It is revoked by the member executing it, before the vote is cast under that proxy, (a) by a writing delivered to the corporation stating that the proxy is revoked, or (b) by a subsequent proxy executed by that member and presented to the meeting, or (c) as to any meeting, by that member’s personal attendance and voting at the meeting; or
- (2) Written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under that proxy is counted. A proxy may not be irrevocable.

Section 26: Adjournment and Notice of Adjourned Meetings

Any Board or Committee meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than 45 days. When a members’ meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned (or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate) are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

Section 27: Compensation and Reimbursement.

Directors may receive such compensation, if any, for their services as directors or officers, and 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 28: Audit Committee.

The corporation may enact to have an audit Committee consisting of at least three , 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 (other than for service as director) 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 29: Compensation Committee.

The corporation may enact a compensation Committee consisting of at least three directors and one non-voting advisory Director. Directors who are also employees of the corporation may not serve on the compensation Committee. Pursuant to Government Code §12586(g) and the applicable provisions of Federal law, the compensation Committee shall review the compensation of all members of PIF in an Executive Role and such other officers of the corporation the compensation Committee determines appropriate, annually and whenever a modification in compensation is proposed. The review shall include an evaluation of the performance of the officers and an analysis of appropriate comparability data. Based on its review, the compensation Committee shall recommend just and reasonable compensation amounts for the officers to the Board. At the request of the president or the Board, the compensation Committee shall review any issue involving staff compensation and benefits, including but not limited to, housing, health, and retirement plans.

Section 30: Investment Committee

This corporation may enact 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 the impact of an investment on the

corporation's public or charitable programs, present and future financial requirements, expected total return, general economic conditions, the 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 31: 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 32: Emergency Powers

The emergency bylaw provisions of this section are adopted in accordance with Corporations Code § 5151(g). Notwithstanding anything to the contrary herein, this section applies solely during an Emergency, which is the limited period of time during which a quorum cannot be readily convened for action as a result of the following events or circumstances until the event or circumstance has subsided or ended and a quorum can be readily convened in accordance with the notice and quorum requirements in Article V of these bylaws:

- (1) A natural catastrophe, including, but not limited to, a hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or regardless of cause, any fire, flood, or explosion;
- (2) An attack on this state or nation by an enemy of the United States of America, or on receipt by this state of a warning from the federal government indicating that an enemy attack is probable or imminent;
- (3) An act of terrorism or other man-made disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the infrastructure, environment, economy, government function, or population, including, but not limited to, mass evacuations; or
- (4) A state of emergency proclaimed by the governor of the state in which one or more Directors are resident, or by the President of the United States.

Section 33: Permitted Emergency Actions.

During an emergency, the Board may:

(1) Modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent resulting from the emergency;

(2) Relocate the principal office or authorize the officers to do so;

(3) Give notice to a director or directors in any practicable manner under the circumstances, including, but not limited to, by publication and radio, when notice of a meeting of the Board cannot be given to that director or directors in the manner prescribed by Article V of these bylaws; and

(4) Deem that one or more officers present at a Board meeting is a director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. During an emergency the Board may not take any action that requires the vote of the members or otherwise is not in the corporation's ordinary course of business, unless the required vote of the members was obtained before the emergency. Any actions taken in good faith during an emergency under this section may not be used to impose liability on a director, officer, employee, or agent.

ARTICLE VI: OFFICERS MANAGEMENT

Section 1: Offices Held

The officers of this corporation shall be a Chief Executive Officer, a Secretary, and a Chief Financial Officer. The corporation, at the Board's discretion, may also one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under Article IV Section 2 of these bylaws.

Any number of offices may be held by the same person, except that the secretary, the treasurer, and the chief financial officer may not serve concurrently as either the president or the of the Board.

Section 2: Election of Officers

The officers of this corporation, except any appointed under Article IV Section 2 of these bylaws, shall be chosen biennially by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

Section 3: 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: 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 5: 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 6: 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 7: Chief Executive Officer

The Chief Executive Officer shall serve as the general manager of the corporation and shall supervise, direct, and control the corporation's day to day activities, affairs, and officers. The CEO is responsible for ensuring that the required actions are taken for supporting resolutions passed by the Board based on the timeline set by the Board or in absence of a timeline, within a reasonable period of time.

Section 8: 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 members and 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.

Section 9: Vice Presidents

If the Chief Executive Officer is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a vice president designated by the Board, shall perform all duties of the Chief Executive Officer. When so acting, a vice president shall have all powers of and be subject to all restrictions on the Chief Executive Officer. The vice presidents shall have such other powers and duties as the Board or the bylaws may require.

ARTICLE VII: TRANSACTIONS OF THE NONPROFIT CORPORATION

Section 1: 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 (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

Section 2: Loans 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 3: All Other Transactions

Where PIF is involved in financial Contracts involving transactions in either:

- (1) \$5,000.00 or less; or
- (2) in the alternative where the impact to the annual budget will be 1% or less;

the Executive Committee shall have authority over the approval of such contracts. Where the Executive Committee has already approved Contracts in an aggregate amount equal to or

exceeding \$25,000.00, the Executive Committee will defer the remainder transactions of the fiscal year to the decision making of the Board.

All other financial Contracts shall be rendered to the decision making of the Board.

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ARTICLE VIII: INSURANCE AND INDEMNICATION

Section 1: 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 Article VIII Section 1 of 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 2: Insurance

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

ARTICLE IX: RECORDS AND RETENTION

Section 1: Maintenance of 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 2: Inspection of Records

Unless the corporation provides a reasonable alternative as provided below, any Director may do either or both of the following for a purpose reasonably related to the member's interest as a member:

- (1) Inspect and copy the records containing members' names, addresses, and voting rights during usual business hours on 5 days' prior written demand on the corporation, which must state the purpose for which the inspection rights are requested; or
- (2) Obtain from the secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The secretary shall make this list available to the member on or before the later of 10 days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled.

The corporation may, within 10 business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the proper purpose of the demand.

If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list. Any inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. This right of inspection extends to the records of any subsidiary of the corporation.

Section 3: Accounting Records and Minutes

On written demand on the corporation, any Director may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Board and Committees of the Board at any reasonable time for any reasonable purpose. Any such inspection and copying may be made in person or by the Director's agent or attorney. This right of inspection extends to the records of any subsidiary of the corporation.

Section 4: Maintenance and Inspection of Articles and Bylaws

This corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, that shall be open to inspection by the members at all reasonable times during office hours. If the corporation has no business office in California, the secretary shall, on the written request of any member, furnish to that member a copy of the articles of incorporation and bylaws, as amended to the current date.

Section 5: Annual Report

The Board shall cause an annual report to be sent to all directors within 120 days after the end of the corporation's fiscal year. 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 Article V and Article IX of 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 Code §§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: 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 PIF unless that indemnification has already been approved by the members under Corporations Code §5238(e)(2).

Section 7: Publication of Information

As required by the California Public Benefit Corporations Code, the Board will approve all documents as required by law for placement in such manner that the public may otherwise examine the information for the Nonprofit Corporation.