

**NATIONAL OUTREACH FOUNDATION  
INCORPORATED**

**BYLAWS**

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**BYLAWS  
OF  
NATIONAL FOUNDATION OUTREACH INCORPORATED**  
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

**TABLE OF CONTENTS**

**ARTICLE 1: NAME AND OFFICES** ..... 1

    Section 1.1 Name ..... 1

    Section 1.2 Principal Office of the Corporation..... 1

**ARTICLE 2: PURPOSES AND DEDICATION**..... 1

    Section 2.1 General and specific purposes ..... 1

    Section 2.2 Dedication of assets..... 2

**ARTICLE 3: MEMBERS AND ASSOCIATIONS**..... 2

    Section 3.1 No Members ..... 2

    Section 3.2 Other Persons Associated with Corporation ..... 2

**ARTICLE 4: BOARD OF DIRECTORS**..... 2

    Section 4.1 General Powers ..... 2

    Section 4.2 Specific Powers ..... 3

    Section 4.3 Number and Qualification of Directors..... 3

    Section 4.4 Election/Designation of Directors..... 4

    Section 4.5 Vacancies and Removals of Directors..... 4

    Section 4.6 Resignation of Directors..... 4

    Section 4.7 Meetings..... 4

    Section 4.8 Compensation and Reimbursement ..... 7

**ARTICLE 5: OFFICERS**..... 8

    Section 5.1 Officers of the Corporation ..... 8

    Section 5.2 Election of Officers..... 8

    Section 5.3 Appointment of Other Officers..... 8

    Section 5.4 Removal ..... 8

    Section 5.5 Resignation ..... 8

    Section 5.6 Vacancies ..... 8

    Section 5.7 Responsibilities of Officers ..... 9

    Section 5.8 Compensation and Reimbursement ..... 10

<b>ARTICLE 6: COMMITTEES .....</b>	<b>10</b>
Section 6.1    Creation and Powers of Committees .....	10
Section 6.2    Meetings and Action of Committees .....	11
<b>ARTICLE 7: INDEMNIFICATION AND INSURANCE.....</b>	<b>11</b>
Section 7.1    Indemnification.....	11
Section 7.2    Insurance.....	12
<b>ARTICLE 8: GENERAL PROVISIONS.....</b>	<b>12</b>
Section 8.1    Fiscal Year .....	12
Section 8.2    Statement of General Information.....	12
Section 8.3    Agent for Service of Process.....	13
<b>ARTICLE 9: AMENDMENTS.....</b>	<b>13</b>
<b>ARTICLE 10: BOOKS AND RECORDS.....</b>	<b>13</b>
Section 10.1    Maintenance of Corporate Records.....	13
Section 10.2    Directors' Right to Inspect.....	14
Section 10.3    Required Reports .....	14
<b>ARTICLE 11: CONSTRUCTION AND DEFINITIONS .....</b>	<b>16</b>

**BYLAWS  
OF  
NATIONAL OUTREACH FOUNDATION INCORPORATED**

A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

**ARTICLE 1: NAME AND OFFICES**

**Section 1.1 Name.**

The name of this corporation is: **National Outreach Foundation Incorporated.**

**Section 1.2 Principal Office of the Corporation.**

The principal office for the transaction of the activities and affairs of this corporation is located at 5419 Breckenridge Avenue, Banning, California 92220. 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.

**ARTICLE 2: PURPOSES AND DEDICATION**

**Section 2.1 General and specific purposes.**

As stated in the Articles of Incorporation of this Corporation, as currently in effect:

This Corporation is organized exclusively for charitable purposes within the meaning of Internal Revenue Code Section 501(c)(3) or the corresponding provision of any future United States internal revenue law. Despite any other provision in these articles, 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 Section 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 Section 170(c)(2) or the corresponding provision of any future United States internal revenue law.

## **Section 2.2 Dedication of assets**

This Corporation's assets are irrevocably dedicated to 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 section 501(c)(3).

No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation. This corporation shall not participate or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.

## **ARTICLE 3: MEMBERS AND ASSOCIATIONS**

### **Section 3.1 No Members**

This corporation shall have no voting members within the meaning of Section 5056 of the California Corporations Code. The corporation's board of directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the board finds appropriate.

### **Section 3.2 Other Persons Associated with Corporation**

This corporation may refer to persons or entities associated with it as "members," even though those persons or entities are not voting members. No such reference shall constitute anyone as a member within the meaning of Corporations Code section 5056 unless that person or entity shall have qualified for a voting membership under duly adopted provisions of these bylaws.

## **ARTICLE 4: BOARD OF DIRECTORS**

### **Section 4.1 General Powers**

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board.

**Section 4.2 Specific Powers**

Without prejudice to the general powers set forth in **Section 4.1** of these bylaws, but subject to the same limitations, the board shall have the power to:

**(a)** 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.

**(b)** 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.

**(c)** 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.

**(d)** Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

**Section 4.3 Number and Qualification of Directors**

4.3.1 Number of Directors

The board of directors shall consist of three (3) 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. Any reduction of the authorized number of directors shall not result in any director being removed before his or her term of office expires.

4.3.2 Qualification of Directors

The qualifications for directors are:

**(a)** Directors may not take office if they are “interested” as that term is defined in **Article 11, Section 11.2** except with the advance acknowledgement and informed consent of the board of directors; and,

**(b)** \_\_\_\_\_  
\_\_\_\_\_

#### **Section 4.4 Election/Designation of Directors**

Each director shall hold office for one (1) year and until a successor director has been designated and qualified.

#### **Section 4.5 Vacancies and Removals of Directors**

A vacancy or vacancies on the board of directors shall occur in the event of:

- (a) the death or resignation of any director;
- (b) the declaration by resolution of the board of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3;
- (c) the increase of the authorized number of directors; or
- (d) the failure of the directors, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at such meeting.

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 Section 5211; or, **(3)** a sole remaining director.

#### **Section 4.6 Resignation of Directors**

Any director may resign by giving written notice to the chairman of the board, if any, or to the president or the secretary of the board except that no director may resign if the corporation would be left without a duly elected director or directors without prior written notice to the California Attorney General. 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.

#### **Section 4.7 Meetings**

##### **4.7.1 Regular Meetings.**

Regular meetings of the Board (in addition to the annual meeting) shall be held at such frequency, time and place as the Board shall from time to time determine.

#### 4.7.2 Annual Meetings.

Annually the board shall hold a general meeting for purposes of organization, election of officers, and transaction of other business including but not limited to reviewing required reports and other matters relevant to the Corporation's exempt operations and status as determined by the board. Notice of this meeting is not required except if the particulars listed below are modified. Unless otherwise determined by resolution of the board, the annual meeting of the directors shall be held on \_\_\_\_\_ at \_\_\_\_\_ p.m.

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

#### 4.7.3 Special Meetings.

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

#### 4.7.4 Notice of Meetings.

Notice of the time and place of special meetings shall be given to each director by: **(a)** personal delivery of written notice; **(b)** first-class mail, postage prepaid; **(c)** telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; **(d)** facsimile; **(e)** electronic mail; or, **(f)** other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the corporation's records.

Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic mail shall be delivered, telephoned, or sent, at least forty eight (48) hours before the time set for the meeting.

The notice shall state the time of the meeting and the place, if the place is other than the corporation's principal office. The notice need not specify the purpose of the meeting.

#### 4.7.5 Waiver of Notice of General or Special Meeting.

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 such 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.

#### 4.7.6 Validation of Transactions.

The transactions of the Board occurring at any meeting however called or noticed, or wherever held, shall be as valid as though such meetings were duly held after regular call and notice if a quorum be present and if, either before or after the meeting, each director who would have been entitled to either receive notice of or vote at the meeting but who was not present signs a written waiver of notice, a consent to the holding of such meeting or an approval thereof.

#### 4.7.7 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 **(a)** approval of contracts or transactions in which a director has a direct or indirect material financial interest, **(b)** approval of certain transactions between corporations having common directorships, **(c)** creation of and appointments to committees of the board, and **(d)** indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

If any provision of these bylaws requires the vote of a larger proportion of the board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

#### 4.7.8 Place of Meetings and Meetings by Telephone.

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.

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

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

(b) Each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(c) The board has adopted and implemented a means of verifying the following:

(1) A person participating in the meeting is a director or other person entitled to participate in the board meeting.

(2) All actions of or votes by the board are taken or cast only by the directors and not by persons who are not directors.

(3) Each director has a valid consent to the proposed means of electronic communication on file with the Corporation's secretary.

#### 4.7.9 Action without a meeting.

Any action that the board is required or permitted to take may be taken without a meeting if all board members unanimously consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested director" as defined in Corporations Code section 5233 shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board.

#### 4.7.10 Adjournment.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty four (24) hours. If the original meeting is adjourned for more than twenty four (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 4.8 Compensation and Reimbursement**

Directors and members of committees of the Board, if any, shall be volunteers serving without compensation for their services as Directors or Officers, except that they may receive 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. Original agreements, modifications and renewals to compensation agreements with officers shall be effective only upon approval by the board.

## **ARTICLE 5: OFFICERS**

### **Section 5.1 Officers of the Corporation**

The officers of this corporation shall be a president, a secretary, and a chief financial officer. The corporation, at the board's discretion, may also have a chairman of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under **Section 5.3** of these bylaws. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as either the president or the chairman of the board.

### **Section 5.2 Election of Officers**

The officers of this corporation, except any appointed under **Section 5.3** of these bylaws, shall be chosen by the board and shall serve at the pleasure of the board, subject to the rights of any officer under any employment contract.

### **Section 5.3 Appointment of Other Officers**

The board may appoint and authorize the chairman 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 5.4 Removal**

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 5.5 Resignation**

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 5.6 Vacancies**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for normal appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

## **Section 5.7 Responsibilities of Officers**

### **5.7.1 Chairman of the Board**

If a chairman of the board of directors is elected, he or she shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chairman of the board shall also be the chief executive officer and shall have the powers and duties of the president of the corporation set forth in these bylaws.

### **5.7.2 President**

Subject to such supervisory powers as the board may give to the chairman 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 chairman 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.

### **5.7.3 Vice Presidents**

If the president 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 president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the board or the bylaws may require.

### **5.7.4 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.

#### 5.7.5 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: **(i)** 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; **(ii)** disburse the corporation's funds as the board may order; **(iii)** render to the president, chairman 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, **(iv)** 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 5.8 Compensation and Reimbursement**

Officers shall be volunteers serving without compensation for their services as Officers except that they may receive 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. Original agreements, modifications and renewals to compensation agreements with officers shall be effective only upon approval by the board.

## **ARTICLE 6: COMMITTEES**

### **Section 6.1 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 (2) or more directors and no one who is not a director unless otherwise required by law, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the authorized

number of directors. 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:

- (a) Fill vacancies on the board or any committee of the board;
- (b) Fix compensation of the directors for serving on the board or on any committee;
- (c) Amend or repeal bylaws or adopt new bylaws;
- (d) Amend or repeal any resolution of the board that by its express terms is not so amendable or repealable;
- (e) Create any other committees of the board or appoint the members of committees of the board;
- (f) Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or,
- (g) 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 section 5233(d)(3).

## **Section 6.2 Meetings and Action of Committees**

Meetings and actions of committees of the board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings and other board actions, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the board has not adopted rules, the committee may do so.

## **ARTICLE 7: INDEMNIFICATION AND INSURANCE**

### **Section 7.1 Indemnification**

To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an

action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. “Expenses”, as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the board by any person seeking indemnification under Corporations Code section 5238(b) or section 5238(c), the board shall promptly decide under Corporations Code section 5238(e) whether the applicable standard of conduct set forth in Corporations Code section 5238(b) or section 5238(c) has been met and, if so, the board shall authorize indemnification. 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 section 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 this Section of the bylaws in defending any proceeding covered by this Section shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

## **Section 7.2 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 8: GENERAL PROVISIONS**

### **Section 8.1 Fiscal Year**

The fiscal year of this Corporation shall end on December 31.

### **Section 8.2 Statement of General Information**

Filing with the Secretary of State. The Corporation shall, during the applicable filing period specified by statute, file with the Secretary of State of the State of California on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence of its principal executive office, the principal business

office of the Corporation in this state, and the general type of business constituting the principal business activity of the Corporation, together with a designation of the agent of the Corporation for the purpose of service of process, all in compliance with Section 1502 *et seq.* of the Corporations Code of California.

### **Section 8.3 Agent for Service of Process**

In meeting the requirements of Section 1502 *et seq.* of the California Corporations Code as described in **Section 8.4** above, the Corporation must, at all times have an acting agent to accept service of process for and on behalf of the Corporation. Such agent must be either a natural person residing in the state of California or a Corporation which has complied with the requirements of Section 1505 of the California Corporations Code. The duty of the agent is to promptly notify and provide a copy to the Secretary or Chief Executive Officer of the Corporation of any notices received by such agent in his or her capacity as Agent for Service of Process at the address for the principal offices of the Corporation. It shall not be the duty of the Agent for Service of Process to respond to notices for or on behalf of the Corporation unless there is a contrary written agreement in effect between the Corporation and such agent. Any agent may resign by filing a signed and acknowledged written statement of the resignation as agent with the Secretary of State.

## **ARTICLE 9: AMENDMENTS**

These Bylaws may be amended or repealed in whole or in part, or new Bylaws may be adopted, by the vote of a majority of the authorized number of directors of the Corporation, at any meeting of the Board duly held in accordance with these Bylaws

If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

## **ARTICLE 10: BOOKS AND RECORDS**

### **Section 10.1 Maintenance of Corporate Records**

This corporation shall keep the following:

- (a)** Adequate and correct books and records of account; and
- (b)** Written minutes of the proceedings of its board and committees of the board;
- (c)** Records of consents and acknowledgments of officers and directors attached as Schedule A as amended from time to time.



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 10.2 Directors' Right to Inspect**

Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

### **Section 10.3 Required Reports**

#### **10.3.1 Annual Report**

The board shall cause an annual report to be sent to the directors within one hundred and twenty (120) days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- (a)** The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b)** The principal changes in assets and liabilities, including trust funds;
- (c)** The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (d)** The corporation's expenses or disbursements for both general and restricted purposes;
- (e)** 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.

As part of this report, the board shall be presented with the most current or proposed Form 990 filed or to be filed with the Internal Revenue Service and the most recent or proposed annual statement filed or to be filed with the California Attorney General's Registry of Charitable Trusts.

#### **10.3.2 Modified Reporting**

Under current law, all tax exempt corporations holding any charitable funds are required to report to the California Attorney General's Registry of Charitable Trusts and further, to file some form of information return (Form 990) with the Internal Revenue Service. Information required to be reported may differ depending upon the amount of gross receipts received by the Corporation during the fiscal year, and whether the

Corporation is classified as a public charity, a private foundation, or a private operating foundation under Section 509(a) of the Internal Revenue Code. Notwithstanding any reduced or expanded reporting requirements which may be applicable to the Corporation due to small size or special tax status, even if the Corporation receives less than Twenty Five Thousand Dollars (\$25,000) gross receipts annually, the information specified above for inclusion in an annual report together with the conflict information report required by **Section 10.3.3** below must be furnished annually to all directors who requests it in writing.

### 10.3.3 Required Reports Re: Material Transactions and Interested Persons

As part of the annual report to all directors, or as a separate document if no annual report is issued, the corporation shall, within one hundred and twenty (120) days after the end of the corporation's fiscal year, annually prepare and furnish to each director a statement of any transaction or indemnification of the following kind:

**(a)** Any transaction **(i)** in which the corporation, or its parent or subsidiary, was a party, **(ii)** in which an "interested person" had a direct or indirect material financial interest, and **(iii)** which involved more than Fifty Thousand Dollars (\$50,000) or was one of several transactions with the same interested person involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000). For this purpose, an "interested person" is either:

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

**(2)** Any holder of more than ten percent (10%) 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; or

**(b)** Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or director of the corporation under **Article 7** of these bylaws, unless that indemnification has already been approved by the members under Corporations Code section 5238(e)(2).

**(c)** The status and change in status of any directors who are "interested" as defined under **Article 11, Section 11.2**.

**(d)** Any transaction between the Corporation and any officer or director of the Corporation, which would be listed in Section (a) above, except that the amount involved is less than Fifty Thousand Dollars (\$50,000) but more than Two Thousand Dollars (\$2,000).

## ARTICLE 11: 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.

## CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of National Outreach Foundation Incorporated, a California nonprofit public benefit corporation; that these bylaws, consisting of sixteen (16) pages, are the bylaws of this corporation as adopted by the board of directors on [date]; and that these bylaws have not been amended or modified since that date.

Executed on April 28, 2011 at Banning, California.

Reesa Rolon  
Reesa Rolon, Secretary