

BYLAWS
OF
FRIENDS OF ARTESIA
(A California Nonprofit Public Benefit Corporation)

ARTICLE I

NAME

The name of this corporation is FRIENDS OF ARTESIA.

ARTICLE II

OFFICES

Section 1. Principal Office.

The principal office for the transaction of the business of the corporation shall be located at 18747 Clarkdale Avenue, Artesia, California 90701. The board of directors may change the principal office from one location to another. Any change of the location shall be noted by the secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

Section 2. Other Offices.

The board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

ARTICLE III

GENERAL AND SPECIFIC PURPOSES

Section 1. Purposes.

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. In the context of these purposes, the corporation shall provide community public benefit facilities and programs, including but not limited to cultural, recreational and educational programs, on a charitable and nondiscriminatory basis for the people of the community of Artesia, California and its

surrounding environs and carry on other charitable and educational activities associated with these goals as allowed by law.

Section 2. Limitations.

(a) Political activity. 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.

(b) Property. The property of this corporation is irrevocably dedicated to charitable purposes. No part of the net earnings or assets of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to any private individual.

(c) Dissolution. Upon the winding up or dissolution, or both, of this corporation, all of its properties and assets, after the payment of or the making of adequate provision for the debts and obligations of this corporation, shall be given, granted, transferred and assigned jointly to "any such organization organized and operated exclusively for charitable or educational purposes, which has established its tax-exempt status under Internal Revenue Code section 501(c)(3) and California Revenue and Taxation Code Section 23701d."

ARTICLE IV

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.

ARTICLE V

MEMBERS

The corporation shall have no members within the meaning of Section 5056 of the California nonprofit corporation law. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval by the board of directors. All rights which would otherwise vest in the members shall vest in the directors.

ARTICLE VI

DIRECTORS

Section 1. General Corporate Powers.

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, the Articles of Incorporation and these Bylaws, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised by or under the direction of the board of directors.

Section 2. Specific Powers.

Without prejudice to these general powers, and subject to the same limitations, the board shall have the power to do the following:

(a) Appoint and remove, at the pleasure of the board, all officers, agents and employees of the corporation; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(b) Change the principal office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency or country and conduct its activities within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting, including annual meetings.

(c) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the purposes of the corporation, 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 and alter the form thereof.

Section 3. Number of Directors.

The authorized number of directors shall be seven (7) until changed by amendment to these Bylaws. Directors may be re-appointed or re-elected.

Section 4. Restriction on Interested Persons as Directors.

No director shall participate in a decision of the board of directors in which such director has a material financial interest. No more than 49 percent of the persons serving on the board may be interested persons. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise.

excluding any reasonable compensation paid to a director as director; and (b) 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 the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 5. Selection and Term of Office of Directors.

(a) Mayor. The Mayor of the City Council of the City of Artesia shall serve as one of the directors. This director's term of office shall coincide with his or her term as Mayor of the City Council of the City of Artesia.

(b) City Staff Member. One of the directors shall be appointed by a majority vote of the City Council of the City of Artesia from among the members of the City of Artesia staff. This director shall remain in office for a period of four (4) years, and until his or her successor director has been designated and qualified.

(c) City Council Appointees. Each member of the City Council of the City of Artesia shall appoint one person to serve as one of the directors, for a total of five (5) City Council appointed directors. Each director's term of office shall coincide with the term of the member of the City Council that appointed him or her. All City Council appointees shall be residents of the City of Artesia, California.

Section 6. Vacancies.

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, any director may resign effective upon giving written notice to the chairman of the board, if any, or to the president or the secretary of the board unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.

A vacancy or vacancies in the board of directors shall be deemed to exist in case of the death, resignation, or removal of any director, or if the authorized number of directors is increased.

The board of directors may declare vacant 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 any duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3.

If a director misses a meeting and the board designates the absence as an unexcused absence, the board shall cause written notice of the unexcused absence to be given to the absent director at least two weeks prior to the next meeting. If such notice is given to a director for two consecutive meetings, or for three (3) meetings in any one-year period, that director shall be deemed removed for excessive unexcused absences.

Any vacancy caused by the removal of a director shall be filled as provided in Section 5 of this Article.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

Section 7. Place of Meetings; Meetings by Telephone.

Meetings of the board shall be held at the principal office of the corporation or at such other place has been designated by the board. In the absence of any such designation, meetings shall be held at the principal office of the corporation. If and as permitted by the Ralph M. Brown Act, California Government Code Section 54950 *et seq.* (the "Brown Act"), any meeting may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 8. Annual and Special Meetings.

(a) Annual Meeting. The board shall hold an annual meeting on January of each year for the purpose of organization, election of officers and transaction of other business; provided, however, that the board may fix another time for the holding of its annual meeting.

(b) Special Meetings. Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairman of the board, or a majority of the directors.

(c) Notice. Notices of the time and place of meetings shall be given to each director in compliance with the provisions of the Brown Act.

Section 9. Quorum.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11. 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 directorship, (c) creation of an appointment of committees of the board and (d) indemnification of directors, every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 10. Waiver of Notice.

Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 11. Adjournment.

A majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place is fixed at the meeting adjourned, except that if the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 12. Action Without Meeting.

If and as permitted by the Brown Act, any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the board. Such written consent or consents shall be filed with the minutes of the proceedings of the board. For the purposes of this Section 12 only, "all members of the board" shall not include directors who have a material financial interest in a transaction to which the corporation is a party.

Section 14. Fees and Compensation.

This corporation shall not compensate directors, members of committees, officers or employees for their services, but may reimburse directors, members of committees, officers or employees for their reasonable and necessary expenses incurred on behalf of the corporation, in accordance with such rules and procedures as may be established by the board.

ARTICLE VII

COMMITTEES

Section 1. Committees of the Board.

The board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace an absent member at any meeting. Any such committee, to the extent provided in the resolution of the board, shall have all of the authority of the board, except that no committee, regardless of board resolution, may do the following:

- (a) take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;
- (b) fill vacancies on the board or in any committee which has the authority of the board;
- (c) establish or fix compensation of the directors for serving on the board or on any committee;
- (d) amend or repeal Bylaws or adopt new Bylaws;
- (e) amend or repeal any resolution of the board which by its express terms is not so amendable or repealable;
- (f) appoint any other committees of the board or the members of these committees;
- (g) expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or
- (h) 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 such approval is provided for in Section 5233(d)(3) of the California Corporations Code.

Section 2. Meetings and Actions of the Committees.

Meetings and actions of committees of the board shall be governed by, held and taken in accordance with the provisions of Article VII of these Bylaws, concerning meetings and other actions of the board, except that the time for regular meetings of such committees and the calling of special meetings thereof may be determined either by

resolution of the board or, if there is no board resolution, by resolution of the committee of the board. Minutes shall be kept of each meeting of any committee of the board and shall be filed with the corporate records. The board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws or in the absence of rules adopted by the board, the committee may adopt such rules.

ARTICLE VIII

OFFICERS

Section 1. Officers.

The officers of the corporation shall be a president, a secretary, and a chief financial officer. The corporation may also have, at the board's discretion, a chairperson or co-chairpersons 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 in accordance with Section 3 of this Article. 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 chairperson or co-chairperson of the board.

Section 2. Election of Officers.

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

Section 3. Subordinate Officers.

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

Section 4. Removal of Officers.

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

Section 5. Resignation of Officers.

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

Section 6. Vacancies in Offices.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

Section 7. Responsibilities of Officers.

(a) Chairperson or Co-Chairpersons of the Board. If a chairperson or co-chairpersons of the board is or are elected, he, she or they shall preside at meetings of the board 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 chairperson or co-chairpersons of the board shall also be the chief executive officer(s) and shall have the powers and duties of the president of the corporation prescribed by these Bylaws.

(b) President/Chief Executive Officer. Subject to the control and supervision of the board, the president shall be the chief executive officer and general manager of the corporation and shall generally supervise, direct and control the activities and affairs and the officers of the corporation. The president, in the absence of the chairperson or co-chairpersons of the board, or if there be none, shall preside at all meetings of the board. The president shall have such other powers and duties as may be prescribed by the board or these Bylaws.

(c) Vice Presidents. In the absence or disability of the president, the vice presidents, if any, in order of their rank, shall perform all of the duties of the president, and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them by the board or the Bylaws.

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

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

(ii) 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.

(iii) The secretary shall keep, or cause to be kept, at the principal office, as determined by resolution of the board of directors, record of the corporate directors, showing the names of all directors and their addresses.

(iv) The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by these Bylaws to be given. The secretary shall keep the seal of the corporation in safe custody. The secretary shall have such other powers and perform such other duties as may be prescribed by the board of directors or these Bylaws.

(e) Chief Financial Officer. The chief financial officer shall attend to the following:

(i) The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.

(ii) The chief financial officer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors; shall disburse the funds of the corporation as may be ordered by the board of directors; shall render to the president and directors, whenever they request it, an account of all of the transactions as chief financial officer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the board of directors or these Bylaws.

(iii) If required by the board of directors, 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 that office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer upon the death, resignation, retirement, or removal from office thereof.

(f) 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 (a) the material facts regarding that directors' 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; (b) 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; (c) 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 (d) 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.

(g) 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.

ARTICLE IX INDEMNIFICATION

Section 1. Definitions.

For the purposes of this Article IX, "agent" means any person who is or was a director, officer, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5(b) of this Article IX.

Section 2. Actions by Third Parties.

The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust), by reason of the

fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. Actions by or in the Right of the Corporation.

The corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

No indemnification shall be made under this Section 3 for the following:

(a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 4. Indemnification Against Expenses.

To the extent that a agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article IX or in defense of

any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. Required Determinations.

Except as provided in Section 4 of this Article IX any indemnification under this Article IX shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3 of this Article IX, by the following:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the corporation.

Section 6. Advance of Expenses.

Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article IX.

Section 7. Other Indemnification.

No provision made by the corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of directors, an agreement, or otherwise, shall be valid unless consistent with this Article IX. Nothing contained in this Article IX shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 8. Forms of Indemnification Not Permitted.

No indemnification or advance shall be made under this Article IX, except as provided in Section 4 or 5(b), in any circumstances where it appears as follows:

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

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

Section 9. Insurance.

The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article IX, provided, however, that a corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE X

RECORDS AND REPORTS

Section 1. Maintenance of Corporate Records.

The corporation shall keep the following:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of the board and committees of the board; and
- (c) If applicable, a record of its members, addresses and the class of membership held.

Section 2. Inspection by Directors.

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

Section 3. Annual Report.

Except as provided under Section 6321(c), (d) or (f) of the California Corporations Code, not later than one hundred twenty (120) days after the close of the fiscal year of the corporation, the board shall cause an annual report to be sent to all members of the board. Such report shall contain the following information in reasonable 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, during the fiscal year.

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

(e) Any information required by Section 4 of this Article.

(f) 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 twenty-five thousand dollars (\$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.

Section 4. Annual Statement of Certain Transactions and Indemnifications.

The corporation shall prepare annually and furnish to each director a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the close of the fiscal year of the corporation:

(a) Any transaction to which the corporation, its parent or its subsidiary was a party, and in which any Director or officer of the corporation, its parent or subsidiary (but mere common directorship shall not be considered such an interest) had a direct or indirect material financial interest, if such transaction involved over fifty thousand dollars (\$50,000), or was one of a number of transactions with the same person involving, in the aggregate, over fifty thousand dollars (\$50,000).

(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 ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.

This 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.

(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 pursuant to Article IX hereof.

ARTICLE XI

AMENDMENTS

Section 1. Amendment of Bylaws.

The board of directors may adopt, amend, or repeal these Bylaws. If any provision of these Bylaws requires the vote of a larger proportion of the board than otherwise required by law, such provision may not be altered, amended, or repealed except by that greater vote. The board may not extend a director's term beyond that for which the director was elected.

Section 2. Maintenance of Records.

The secretary of the corporation shall see that a true and correct copy of all amendments of the Bylaws, duly certified by the secretary, is attached to the official Bylaws of the corporation and is maintained with the official records of the corporation at the principal office of the corporation.

ARTICLE XII

MISCELLANEOUS

Section 1. Execution of Checks and Drafts.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the board.

Section 2. Execution of Contracts.

Except as otherwise provided in these Bylaws, the board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the board, no officer, agent or

employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit to render it liable for any purpose or to any amount.

Section 3. Representation of Shares of Other Corporations.

The president or any vice president or the secretary or assistant secretary of the corporation from time to time designated by general resolution of the board, and acting individually and without necessity for specific resolution, are authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted to such officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised either by such officers in person or by any person authorized so to do by proxy or power of attorney duly executed by such officers.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Friends of Artesia, a California nonprofit public benefit corporation, that the above Bylaws, consisting of seventeen (17) pages, are the Bylaws of this corporation as adopted by the board of directors on _____, 2007, and that they have not been amended or modified since that date.

Executed on _____, 2007 at Artesia, California.

Secretary