

BYLAWS
OF
PASADENA-FOOTHILLS ASSOCIATION OF REALTORS®
CHARITABLE FOUNDATION

A California Nonprofit
Public Benefit Corporation

A wholly owned subsidiary of the Pasadena-Foothills Association of REALTORS®
(PFAR)

ARTICLE I

NAME AND OFFICES

Section 1.1 **Name**

This Corporation shall be known as the Pasadena-Foothills Association of REALTORS® Charitable Foundation (hereinafter referred to as the “Corporation”).

Section 1.2 **Principal Office**

The principal office of the Corporation shall be initially located at 1070 East Green Street, Pasadena, County of Los Angeles, State of California. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another both within and without said county, so long as the principal office of the Corporation is located at an office within the jurisdiction of the Pasadena Foothills Association of Realtors®.

Section 1.3 **Other Offices**

Subordinate offices may at any time be established by the Board of Directors at any place or places within Pasadena or La Canada Flintridge.

ARTICLE II

GENERAL PURPOSES AND LIMITATIONS

Section 2.1 **General Purposes**

This Corporation is organized exclusively for charitable and educational purposes, including, for such purposes, the provision of grants to local charitable, education and other nonprofit organizations and any other purpose which shall fall within the meaning of Section 501(c)(3) of the Internal revenue Code, or corresponding section of any future federal tax code.

Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or corresponding provision of any future United States internal revenue law, or (b) by a corporation, contributions to which are deductible under Section 10 (c)(2) of the Internal Revenue Code, or corresponding provision of any future United States internal revenue law.

Section 2.2 Limitations

(a) Political Activity. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence Legislation, and this corporation shall not participate in or intervene in (including the publishing or distributing of statements in connection with) any political campaign on behalf of any candidate for public office.

(b) Property. The property, assets, profits and net income are dedicated irrevocably to the purposes set forth in Section 2.1 above. No part of the profits or net earnings of this corporation shall ever inure to the benefit of any of its Directors, trustees, officers, members (if any), employees, or to the benefit of any private individual.

(c) Dissolution. Upon the winding up and dissolution of this corporation, after paying or adequately providing for the payment of said debts, obligations and liabilities of the corporation, the remaining assets of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE III

MEMBERSHIP

Section 3.1 Membership.

The Corporation shall have no members.

ARTICLE IV

DIRECTORS

Section 4.1 **General Powers**

The affairs of the Corporation shall be managed by its Board of Directors, subject to the limitations stated in the Articles of Incorporation, these Bylaws, and the Nonprofit Corporations Laws, and subject to the duties of Directors as prescribed by the Nonprofit Corporations Law.

Section 4.2 **Number of Directors.**

The number of Directors of the Corporation, which shall not be less than six (6) nor more than twenty (20), shall initially be sixteen (16); provided, however, that said number of directors may be changed subject to the minimum and maximum numbers specified in this Section 4.2 by a resolution duly adopted by the Pasadena-Foothills Association of REALTORS® Board of Directors.

The initial Directors of the Corporation are Brandie Belangeri, Kelley Brock, Nicholas S. Cacarnakis, West J. De Young, Kirk Dilbeck, Roberta Dominguez, Shannon Ewing, Chris Griffiths, Ljiljana Grozdanic, Jeanette Henderson, John Hickey, Kyle Kemp, Pat Roughan, Michael R. Shaar, Cheryl Shramm, and Carmel Thomas.

Section 4.3 **Term of Office and Qualifications.**

(a) The Directors shall be appointed by the PFAR Board of Directors in October of each year.

(b) The term of a Director shall be one (1) year. A Director shall hold office until the earlier of (i) the expiration of the term, or (ii) the death, resignation or removal of the Director.

(c) Not more than forty-nine percent (49%) of the persons serving on the Board of Directors of the Corporation may be interested persons. For the purpose of the foregoing, “interested person” means any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise (excluding any reasonable compensation paid to a Director as a Director), and/or any brother, sister, ancestor, descendant, spouse, brother-in-law, mother-in-law, or father-in-law of any such person.

Section 4.4 **Resignation.**

Any Director may resign at any time by giving written notice of such resignation to the Chairman of the Board, and to PFAR. Such resignation shall take effect at the time specified in the notice; provided, however, that if the resignation is not to be effective upon receipt of the notice by the Corporation, the Corporation may accept the effective date specified. No Director may resign where the Corporation would then be left without a duly elected Director or Directors in charge of its affairs. If the resignation is effective at a future time, a successor may be appointed to take office when the resignation becomes effective.

The failure to attend three (3) consecutive regularly scheduled meetings of the Board may be considered by the Board as a resignation and accepted as such.

Section 4.5 Removal.

(a) The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Article 3 (commencing with Section 5230) of the Nonprofit Corporation Law.

(b) Any or all Directors may be removed by the PFAR Board of Directors, as set forth below, with or without cause.

(c) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of such Director's term of office.

Section 4.6 Vacancies.

(a) A vacancy 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, or if the Board of Directors declare vacant the position of any Director whose term has expired.

(b) Vacancies on the Board of Directors, other than a vacancy created by the removal of a Director, may be filled by a majority of the Directors then in office. The term of a Director so elected shall be the unexpired portion of the term of the Director, if any, the Director so elected is replacing.

(c) The PFAR Board of Directors may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors.

Section 4.7 Organization Meeting.

Immediately after each annual meeting of the Board of Directors, a regular meeting for the purpose of organization, the election of officers and the transaction of other business shall be held by the Board.

Section 4.8 Regular Meetings.

The Board of Directors may provide by resolution the time and place for the holding of regular meetings of the Board of Directors; provided, however, that if the date so designated falls upon a legal holiday, then the meeting shall be held at the same time and place on the next succeeding day which is not a legal holiday. No notice of such regular meetings of the Board of Directors need be given. The Board of Directors shall have regular meetings at least quarterly.

Section 4.9 Special Meetings.

Meetings of the Board of Directors (other than regular meetings held pursuant to Section 4.7 and/or 4.8 of these Bylaws) shall be held whenever called by the Chairman of the Board or any Five (5) Directors of the Corporation.

Section 4.10 Place of Meetings.

Meetings of the Board of Directors shall be held at the offices of the Pasadena Foothills Association of Realtors®.

Section 4.11 Telephonic Meetings.

Members of the Board of Directors may participate in a regular or special meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this Section 4.11 constitutes presence in person at such meeting.

Section 4.12 Notice of Special Meetings.

Written notice of the time and place of special meetings of the Board of Directors shall be delivered personally to each director, or sent to each Director by first class mail, e-mail, telephone or fax. In case such notice is sent by mail, it shall be deposited in the United States mail at least four (4) days prior to the time of the holding of the meeting. For purposes of determining whether such four (4) day requirement has been satisfied, the day of the meeting and the day notice is given shall each be counted as one full day regardless of the time of the day the meeting is held or the notice is given. Each notice shall be deemed given to a Director when deposited, with postage thereon, prepaid, in a post office or official depository under the exclusive care and custody of the United States Post Office Department and addressed to such Director at the address designated by him for that purpose or, if none is designated, at his last known address. In case such notice is delivered personally, or by e-mail, telephone or fax, it shall be so delivered at least forty-eight (48) hours prior to the time of the holding of the meeting. Such notice may be given by the Secretary of the Corporation or by the persons who called said meeting. Such notice need not specify the purpose of the meeting. Notice shall not

be necessary if appropriate waivers, consents and/or approvals are filed in accordance with Section 4.13 of these Bylaws.

Section 4.13 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 of the meeting, 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 meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors, or of a committee of Directors, need be specified in any such waiver, consent or approval.

Section 4.14 Action Without Meeting.

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

Section 4. 15 Quorum.

One-half (50%) plus one of the seated number of Directors shall constitute a quorum for the transaction of business at Meetings of the Board called pursuant to Section 4.9 herein. The quorum required for the transaction of business at a Meeting of the Board called pursuant to Section 4.8 herein shall be those Directors in attendance, so long as that number is at least six (6). 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 the act of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the Directors may adjourn the meeting as provided in Section 4.16 of these Bylaws.

Section 4.16 Adjournment.

Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the vote of a majority of the Directors present. Notice of the time and place of the adjourned meeting need not be given to absent Directors if said time and place are fixed at the meeting adjourned; provided however, that if the meeting is adjourned for more than twenty-four (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 4.17 Inspection Rights.

Every Director shall have the absolute right at any time to inspect, copy and make extracts of, in person or by agent or attorney, all books, records and documents of every kind and to inspect the physical properties of the Corporation.

Section 4.18 Fees and Compensation.

Directors shall not receive any stated salary for their services as Directors. Directors may be reimbursed in such amounts as may be determined from time to time by the Board of Directors for expenses paid while active on behalf of the Corporation and/or expenses incurred in attending meetings of the Board of Directors.

Section 4.19 Attendance At Meetings of the Board

Any Realtor® or Affiliate member of Pasadena Foothills Association of Realtors® may attend a meeting of the Corporation Board of Directors. However, such attendance is for observation only, and not participation in Board discussions.

ARTICLE V

COMMITTEES

Section 5.1 Committees.

The Board of Directors may, by resolution adopted by a majority of the Directors then in office (provided a quorum is present), create such committees, each consisting of one (1) or more Directors appointed by the Board, as it may from time to time deem advisable to perform such tasks as may from time to time be delegated to any such committee by the Board of Directors, subject to the limitations contained in the Nonprofit Corporation Law, or imposed by the Articles of Incorporation or by these Bylaws. Committees shall not have any powers to bind the Corporation, but are advisory in nature. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee.

Section 5.2 Minutes and Reports.

Each committee shall keep regular minutes of its proceedings, which shall be filed with the Secretary of the Corporation. All action by any committee shall be reported to the Board of Directors at the next meeting thereof, and, insofar as rights of third parties shall not be affected thereby, shall be subject to revision and alteration by the Board of Directors.

Section 5.3 Meetings.

Except as otherwise provided in these Bylaws or by resolution of the Board of Directors, each committee shall adopt its own rules governing the time and place of holding and the method of calling its meetings and the conduct of its proceedings and shall meet as provided by such rules, and it shall also meet at the call of any member of the committee. Unless otherwise provided by such rules or by resolution of the Board of Directors, committee meetings shall be governed by Sections 4.11, 4.12, 4.13 and 4.14 of these Bylaws.

Section 5.4 Term of Office of Committee Members.

Each committee member shall serve at the pleasure of the Board of Directors.

Section 5.5 Advisory Board.

The Corporation may from time to time establish one or more Advisory Board(s) to provide such assistance to the Corporation as may be requested by the Corporation. Any such Advisory Board(s) shall have no rights, powers or responsibility with respect to the Corporation. A member of any such Advisory Board(s) may, however, undertake specific projects for the Corporation as may be mutually determined by the Corporation and such member.

Section 5.6 Attendance at Committee Meetings

Any Realtor® or Affiliate member of Pasadena Foothills Association of Realtors® may attend a Committee meeting. However, such attendance is for observation only, and not participation in Committee discussions, except by leave of the Chairperson of the Committee.

ARTICLE VI

OFFICERS

Section 6.1 Officers.

The officers of the Corporation shall be a Chairperson, a Vice Chair, a Secretary, and a Treasurer, who shall be the Chief Financial Officer of the Corporation. The Corporation may also have, at the discretion of the Board of Directors, a Chairperson-Elect and such other officers as may be appointed in accordance with the provisions of Section 6.3. One person may hold two or more offices; provided, however, that neither the Secretary nor the Treasurer may serve concurrently as the Chairperson of the Board.

Section 6.2 Election and Term.

The officers of the Corporation shall be chosen by the Board of Directors and shall serve at the pleasure of the Board of Directors. Officers shall serve one year terms and

shall stand for election at the first Board meeting of each year. However, the Board may remove officers upon vote of a majority of the Board then seated.

Section 6.3 Subordinate Officers, etc.

The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

Section 6.4 Resignation.

Any officer may resign at any time by giving written notice to the Corporation, subject to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.5 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 regular appointments to such office.

Section 6.6 Secretary.

(a) The Secretary shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board of Directors and committees of the Board of Directors. Such minutes shall include all waivers of notice, consents to the holding of meetings, or approvals of the minutes of meetings executed pursuant to these Bylaws or the Nonprofit Corporation Law. The Secretary shall keep, or cause to be kept at the principal office a record of the Corporation's Directors, giving the names and addresses of all Directors.

(b) The Secretary shall give or cause to be given, notice of all meetings of the Board of Directors required by these Bylaws or by law to be given, and shall cause the seal of the Corporation to be kept in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6.7 Treasurer and Chief Financial Officer.

The Treasurer and Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account in written form or any other form capable of being converted into written form.

Section 6.8 Compensation.

Officers shall not receive any stated salary for their services as Officers. Officers may be reimbursed in such amounts as may be determined from time to time by the Board of Directors for expenses paid while active on behalf of the Corporation.

ARTICLE VII

BOOKS AND RECORDS

Section 7.1 Books and Records.

The Corporation shall keep adequate and correct books and records of account, minutes of the proceedings of the Board of Directors and committees of the Board of Directors, and a record of the Directors giving their names and addresses.

Section 7.2 Form of Records.

Minutes shall be kept in written form. Other books and records shall be kept either in written form or in any other form capable of being converted into written form. If any record subject to inspection pursuant to the Nonprofit Corporation Law is not maintained in written form, a request for inspection is not complied with unless and until the Corporation at its expense makes such record available in written form.

Section 7.3 Record Date.

(a) The Board of Directors may fix, in advance, a time in the future as the record date for the determination of Directors entitled to notice of any meeting, to vote, or to exercise any rights in respect of any other lawful action. Said record date shall not be more than sixty (60) nor less than ten (10) days prior to the date of such meeting, nor more than sixty (60) days prior to any other action.

(b) A determination of Directors of record entitled to notice of or to vote at a meeting of the Board of Directors shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting.

(c) If no record date is fixed by the Board of Directors, the record date shall be fixed in accordance with the Nonprofit Law.

Section 7.4 Annual Report.

(a) Except as otherwise provided below, the Board of Directors shall cause an annual report (hereinafter the "Annual Report") to be sent to each of the Directors not later than

one hundred twenty (120) days after the close of the Corporation's fiscal year. The Annual Report shall contain in appropriate detail the following:

- (1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
 - (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
 - (3) The revenue of receipts of the Corporation both unrestricted and restricted to particular purposes, during the fiscal year.
 - (4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
 - (5) Any information required by Section 7.5.
- (b) A copy of The Annual Report shall be provided to any Realtor® or Affiliate Member upon request. The Corporation may charge a reasonable copy cost for such copy.
- (c) The Annual report shall be accompanied by a report from a Certified Public Account, which shall be retained by the Board of Directors to perform an annual review of the Corporation's financial reports.

Section 7.5 Annual Statements of Transactions with Interested Persons and of Indemnifications.

- (a) As used below, a "covered transaction" is a transaction in which the Corporation, its parent, or its subsidiary was a party, and in which any Director of Officer of the Corporation, or its parent or subsidiary, had a direct or indirect material financial interest (provided, however that a mere common directorship shall not constitute a material financial interest): As used below, an "interested person" is any person described in this Paragraph.
- (b) The Annual Statement shall describe briefly:
- (1) Any covered transaction during the previous fiscal year involving more than One Hundred Dollars (\$100), or which was one of the number of covered transactions in which the same interested person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than One Hundred Dollars (\$100).

(2) The names of the interested persons involved in such transactions, stating each person's relationship to the Corporation, the nature of such person's interest in the transaction and; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

(c) The Annual Statement shall describe briefly the amount and circumstances of any indemnifications or advances aggregating more than One Thousand Dollars (\$1000) paid during the fiscal year to any officer or Director of the Corporation pursuant to Section 5238 of Nonprofit Corporation Law; provided that no such report need be made in the case of indemnification approved by the Directors under Section 5238 (e) (2) of the Nonprofit Corporation Law.

Section 7.6 Rights of Inspection.

(a) The Corporation shall furnish any Director who so requests a copy of any report filed by the Corporation pursuant to Article 7 (commencing with Section 12580) of Chapter 6 of Part 2 of Division 3 of the Government Code. The Corporation may impose reasonable charges for copying and mailing such report.

(b) Subject to the provisions of Paragraph (d), any Director may:

(1) Inspect and copy the record of all the Directors' names, addresses and voting rights, at reasonable times, upon five (5) business days prior written demand upon the Corporation, which demand shall state the purpose for which the inspection rights are requested; and/or

(2) Obtain from the Secretary of the Corporation, upon written demand and tender of a reasonable charge, a list of the names and addresses of Directors, as of the most recent record date for which it has been compiled or as of a date specified by the Board of Directors subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

(c) The rights set forth in Paragraph (b) may be exercised by:

(1) Any Director, for a purpose reasonably related to such person's interest as a Director. Where the Corporation reasonably believes that the information will be used for another purpose, or where it provides a reasonable alternate pursuant to Paragraph (d), it may deny the Director access to the list.

- (2) The authorized number of Directors as defined in Section 5036 of the Nonprofit Corporation Law for a purpose reasonably related to the Director's interest as a member of the Board of Directors.
- (3) Any PFAR Director or PFAR Executive Vice President.
- (d) The Corporation may, within ten (10) business days after receiving a demand under Paragraph (b), deliver to the person or persons making the demand written offer of an alternative method of achieving the purpose identified in such demand without providing access to or a copy of the Board of Directors' membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made under Paragraph (b) shall be deemed a reasonable alternative, unless within a reasonable time after acceptance of the offer the Corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the Corporation does not meet the proper purpose of the demand made pursuant to Paragraph (b).
- (e) The accounting books and records and minutes of proceedings of the Board of Directors and committees of the Board of Directors shall be open to inspection upon the written demand upon the Corporation of any Director, PFAR or PFAR Executive Vice President at any reasonable time, for a purpose reasonably related to such person's interests as a member of the Board of Directors.
- (f) The Corporation shall keep in its principal office the original or a copy of the Articles of Incorporation and the Bylaws as amended or otherwise altered to date, which shall be open to inspection by the Directors at all reasonable times during office hours.
- (g) Any inspection under this Section 7.6 may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.
- (h) Any right of inspection created by this Section 7.6 extends to the equivalent records of any subsidiary of the Corporation.

ARTICLE VIII

GRANTS, CONTRACTS, LOANS, EMPLOYEES, ETC.

Section 8.1 **Grants.**

The making of grants and contributions, and otherwise rendering financial assistance for the purposes of the Corporation, may be authorized by the Board of Directors. The Board of Directors may authorize any officer or officers, agent or agents, in the name of and on behalf of the Corporation to make any such grants, contributions or assistance.

Section 8.2 Execution of Contracts.

The Board of Directors may authorize any officer, employee or agent, in the name and on behalf of the Corporation, to enter into any contract or execute and satisfy any instrument, and any such authority may be general or confined to specific instances, or otherwise limited. In the absence of any action by the Board of Directors to the contrary, the Chairperson shall be authorized to execute such instruments on behalf of the Corporation.

Section 8.3 Loans.

Only with the approval of the PFAR Board of Directors, then the Chairperson or any other officer, employee or agent authorized by the Bylaws or by the Board of Directors may effect loans and advances at any time for the Corporation from any bank, trust company or other institutions or from any firm, corporation or individual and for such loans and advances may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation, and when authorized by the Board of Directors so to do, may pledge and hypothecate or transfer assets of the Corporation as security for any such loans or advances. Such authority conferred by the Board of Directors may be granted or confined to specific instances or otherwise limited.

Section 8.4 Check, Drafts, Etc.

All checks, drafts, and other orders for the payment of money out of the funds of the Corporation and all notes or other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board of Directors. Checks shall be signed by two Directors and all checking accounts of the Corporation shall require the signatures of two Directors.

Section 8.5 Deposits.

The funds of the Corporation not otherwise employed shall be deposited from time to time to the order of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select or as may be selected by an officer, employee or agent of the Corporation to whom such power may from time to time be delegated by the Board of Directors.

Section 8.6 Employees

The Corporation may hire employees as deemed necessary by the Board of Directors. Directors may not be hired as employees.

ARTICLE IX

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 9.1 Indemnification by Corporation

(a) For the purposes of this Section 9.1, “agent” means any person who is or was a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a 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 Paragraph (b) or Paragraph (c) of this Section.

(b) The Corporation shall, to the fullest extent permitted by law, indemnify any person who was or is a party or is threatened to be made a party to any proceeding 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.

(c) In the event entitlement to indemnification is required by law to be based upon a determination by the Board of Directors that the agent has met the standards of conduct prescribed by law, the agent may select which body shall, or that both bodies shall, make such determination, and such body shall meet and shall reach a determination on the issue within a reasonable period of time after request for such body to meet is received by the Corporation from the agent.

(d) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceedings referred to in Paragraphs (b) or (c) above, 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.

(e) Except as provided in Paragraph (d) above, any indemnification under this Section 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 had met the applicable standard of conduct set forth in Paragraphs (b) or (c) above, by:

- (1) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;
 - (2) The court in which such proceeding is or was pending upon application made by the Corporation or the agent of the 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.
- (f) No indemnification or advance shall be made under this Section, except as provided in Paragraph (d) or Paragraph (e) above, in any circumstance where it appears:
- (1) That it would be inconsistent with a provision of the Articles of Incorporation, the Bylaws, a resolution of the Board of Directors or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
 - (2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9.2 Advancing Expenses.

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 section; provided, however, that the 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 Nonprofit Corporation Law (relating to self-dealing transactions).

Section 9.3 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 section; provided, however, that the 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 Nonprofit Corporation Law (relating to self-dealing transactions).

ARTICLE X

INVESTMENTS

Section 10.1 Standards, Retention of Property.

(a) In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Corporation's investments other than assets held for use or used directly in carrying out a public or charitable program of the Corporation, the Board of Directors shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the Corporation's capital.

(b) Unless limited by the Articles, the Corporation may continue to hold property acquired or contributed to it if and as long as the Board of Directors, in the exercise of good faith and reasonable prudence, discretion and intelligence, may consider that retention is in the best interests of the Corporation. No retention of donated assets violates this Section 10.1, where such retention was required by the donor in the instrument under which the assets were received by the Corporation, except that no such requirement may be effective more than ten (10) years after the death of the donor.

(c) No investment violates this Section 10.1 by virtue of the investment's speculative character, where the investment conforms to provisions authorizing such investment contained in the instrument or agreement under which the assets were contributed to the Corporation.

Section 10.2 Endowment Fund.

(a) The Corporation may receive donations earmarked for an endowment fund from any source in cash or in other property acceptable to the Board of Directors, provided the terms and conditions, if any, are consistent with the purposes and powers of the Corporation as set forth in the Articles and/or the Bylaws of the Corporation. All donations so received together with the income therefrom, herein referred to as the "Fund" shall be held, managed, administered and paid out in accordance with any terms and conditions with respect thereto. Unless otherwise specifically required, the Corporation may mingle such restricted donations with other assets of the Fund. The Corporation may reject any donation carrying restrictions deemed by the Board of Directors to be incompatible with the purpose of the Fund and/or the Corporation.

(b) The Corporation shall keep a complete record of the source of all gifts made to the Fund and shall take such steps as the Board of Directors deems appropriate to recognize and commemorate each such gift, to the end that the memory of the gift and of the donor shall be appropriately preserved.

(c) The Corporation shall disburse the Fund or the income therefrom at such time and in such a manner and in such amounts as the Board of Directors may in its discretion determine for the Corporation or its related activities.

ARTICLE XI

DISTRIBUTION OF INCOME AND PROHIBITED ACTIVITIES

In the event that the Corporation shall at any time be a private foundation within the meaning of Section 509 of the United States Internal Revenue Code of 1986 (hereinafter referred to as the "Code"), the Corporation, so long as it shall be such a private foundation, shall distribute its income for each taxable year at such time and in such manner as not to subject it to the tax on undistributed income imposed by Section 4942 of the Code, and the Corporation shall not (i) engage in any act of self-dealing as defined in Section 4941 (d) of the Code; (ii) retain any excess business holdings as defined in Section 4943 (c) of the Code; (iii) make any investments in such manner as to subject the Corporation to any tax under Section 4944 of the Code; or (iv) make any taxable expenditures as defined in Section 4945 (d) of the Code. (All references to the Code contained herein are deemed to include corresponding provisions of any future United States Internal Revenue Law.)

ARTICLE XII

SEAL AND FISCAL YEAR

Section 12.1 Seal.

The Board of Directors may adopt a corporate seal which shall be in the form of a circle and shall bear the full name of the Corporation and the year and state of its incorporation.

Section 12.2 Fiscal Year.

The fiscal year of the Corporation shall be determined, and may be changed, by resolution of the Board of Directors.

ARTICLE XIII

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 XIV

AMENDMENTS

Section 14.1 Power of Directors.

Only by PFAR Board of Directors may new Bylaws be adopted or these Bylaws may be amended or repealed by the affirmative vote of a majority of the PFAR Directors, except as otherwise provided by law or by the Articles of Incorporation.

CERTIFICATION OF ADOPTION OF BYLAWS

Certificate by Secretary.

I DO HEREBY CERTIFY AS FOLLOWS:

That I am duly elected, qualified and acting Secretary of the above-named Corporation; that the foregoing Bylaws were adopted as the Bylaws of said corporation on the date set forth in the Organizational Certificate by the person appointed in the Articles of Incorporation to act as the Incorporator of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this _____ day of _____, 2006.

Secretary