

**WAIVER OF NOTICE AND CONSENT TO HOLDING
OF FIRST MEETING OF BOARD OF DIRECTORS
OF
FREE LAW PROJECT,
a California Nonprofit Public Benefit Corporation**

We, the undersigned, being all the directors of Free Law Project (the "Corporation"), hereby waive notice of the first meeting of the Board of Directors of the Corporation and consent to the holding of said meeting at Berkeley, California, on August 1, 2013, at 2:30 PM., and consent to the transaction of any and all business by the directors at the meeting, including, without limitation, the adoption of Bylaws, the election of officers and the selection of the place where the Corporation's bank account will be maintained.

Dated: Aug. 1, 2013

Brian W. Carver

Brian W. Carver, Director

Michael Lissner

Michael Lissner, Director

MINUTES OF FIRST MEETING OF BOARD OF DIRECTORS
OF
Free Law Project,
a California Nonprofit Public Benefit Corporation

The Board of Directors of Free Law Project (the “Corporation”) held its first meeting on August 1, 2013 at Berkeley, California. Written waiver of notice was signed by all of the directors.

The following directors, constituting a quorum of the full board, were present at the meeting:

Brian W. Carver

Michael Lissner

No directors were absent:

On motion and by unanimous vote, Michael Lissner was elected temporary Chairperson and then presided over the meeting. Brian W. Carver was elected temporary Secretary of the meeting.

The Chairperson announced that the meeting was held pursuant to written waiver of notice signed by each of the directors. Upon a motion duly made, seconded and unanimously carried, the waiver was made a part of the records of the meeting; it now precedes the minutes of this meeting in the Corporation’s minute book.

There were then presented to the meeting the following resolutions, each of which were considered and discussed and, on motion duly made and seconded, unanimously approved:

INCORPORATION

WHEREAS, the original articles of incorporation of the Corporation were sent by United States mail to the office of the California Secretary of State on the 1st day of August, 2013, and

WHEREAS, the Incorporators of the Corporation have elected the undersigned as the initial directors,

NOW, THEREFORE, BE IT RESOLVED, that all actions heretofore taken on behalf of the Corporation by the Incorporators be, and they hereby are, ratified and affirmed; and

RESOLVED FURTHER, that a certified copy of the articles of incorporation be inserted by the Secretary of the Corporation in the minute book of the Corporation and kept at the principal office for the transaction of business of the Corporation.

AGENT FOR SERVICE OF PROCESS

RESOLVED, that **Brian W. Carver**, named as the initial agent for service of process in the Articles of Incorporation of the Corporation is named as the Corporation's agent for service of process.

ADOPTION OF BYLAWS

WHEREAS, it is deemed to be in the best interest of the Corporation that bylaws be adopted.

NOW, THEREFORE, BE IT RESOLVED, that the form of Bylaws attached hereto as Exhibit A be, and they hereby are, adopted as the Bylaws of the Corporation.

RESOLVED FURTHER, that the Secretary of the Corporation be, and hereby is, authorized and directed to execute a certificate as to the adoption of the Bylaws by these resolutions, to affix such certificate immediately following the last page thereof and to cause said Bylaws, together with such certificate, to be placed in the minute book of the Corporation; and

RESOLVED FURTHER, that the Secretary of the Corporation be, and hereby is, authorized and directed to cause a true and complete copy of said Bylaws, as amended from time to time, as now or hereafter in effect, similarly certified, to be kept at the principal office of the Corporation in California.

AUTHORIZED NUMBER OF DIRECTORS

WHEREAS, Article 7, Section 7.1.1 of the Bylaws states that the number of authorized directors of the Corporation shall be fixed from time to time by the Board.

NOW, THEREFORE, BE IT RESOLVED, that the number of authorized directors, pursuant to Article 7, Section 7.1.1 of the Bylaws of the Corporation, is 2.

ELECTION OF OFFICERS

The following persons are hereby elected to the following offices until such persons resign or are terminated or replace by a duly authorized action of the Board:

President: Michael Lissner

Secretary: Brian W. Carver

Treasurer: Brian W. Carver

PAYMENT OF INCORPORATION EXPENSES

RESOLVED, that each of the officers of the Corporation is authorized and directed to cause the Corporation to pay the expenses of its incorporation and organization.

ESTABLISHMENT OF BANK ACCOUNTS

RESOLVED, that any two officers of the Corporation, acting together, are authorized to:

- a) Designate one or more banks, credit unions, trust companies or other similar institutions as a depository of the funds, including, without limitation, cash and cash equivalents, of the Corporation;

- b) Open, keep, and close general and special bank accounts, including general deposit accounts, payroll accounts, and working fund accounts, with any such depository;
- c) Cause to be deposited in accounts with any such depository, such funds, including, without limitation, cash and cash equivalents, of the Corporation as such officers deem necessary or advisable, and to designate or change the designation of the officer or officers and agent or agents of the Corporation who will be authorized to make such deposits and to endorse checks, drafts, or other instruments for such deposits;
- d) From time to time designate or change the designation of the officer or officers and agent or agents of the Corporation who will be authorized to sign or countersign checks, drafts or other orders for the payment of money issued in the name of the Corporation against any funds deposited in any of such accounts, and to revoke any such designation;
- e) Authorize the use of facsimile signatures for the signing or countersigning of checks, drafts, or other orders for the payment of money, and to enter into such agreements as banks, credit unions, and trust companies customarily require as a condition for permitting the use of facsimile signatures;
- f) Make such general and special rules and regulations with respect to such accounts as they may deem necessary or advisable; and
- g) Complete, execute and/or certify any customary printed signature card forms to exercise the authority granted by this resolution.

RESOLVED FURTHER, that any form resolutions required by any such depository, which relate to the establishment of such accounts and the authorization of signatories with respect thereto and substantially incorporate the authorizations contained in these resolutions, are adopted and approved; and

RESOLVED FURTHER, that any such depository is entitled to rely on these resolutions, if they are certified by an officer of the Corporation, for all purposes until it shall have received written notice of the revocation or amendment of these resolutions by the Board.

DIRECTORS' CONSENT TO ELECTRONIC TRANSMISSION

WHEREAS, Article 7, Section 7.7.1 of the Bylaws states that notice may be given to each director via fax or e-mail.

WHEREAS, Section 20 of the California Corporations Code requires each director to provide an unrevoked consent to the use of those means of transmission prior to receiving notice via fax or e-mail.

NOW, THEREFORE, BE IT RESOLVED, that the Secretary of the Corporation is directed to collect signed consents in the form attached as Exhibit B from each director and keep them with the minute book.

RESOLVED FURTHER, that meeting notices may not be sent via electronic transmission (fax or email) to any director that has not signed the consent.

EXEMPTIONS FROM FEDERAL AND STATE TAXES

RESOLVED, that each of the officers of the Corporation is authorized to consult with legal counsel to ascertain the availability of exemptions from taxation under federal and state tax codes and, if such exemptions are available, the officers of the Corporation are, and each hereby is, authorized and directed to execute and file all necessary applications for exemptions from such taxes with the appropriate state and federal tax authorities, and to pay the necessary filing fees.

FILINGS WITH STATE ATTORNEY GENERAL

RESOLVED, that the officers of the Corporation are authorized and directed to make periodic filings as required by the California Attorney General describing the financial activity of the Corporation and the distribution of the assets held for charitable purposes.

OTHER FILINGS

RESOLVED, that each of the officers of the Corporation is authorized and directed to make such filings and applications, including, without limitation, the statement required by Section 1502 of the California Corporations Code, to execute and deliver such documents and instruments and to do such acts and things as such officer deems necessary in order to obtain such licenses, authorizations and permits as are necessary or desirable for the Corporation's business, to fulfill such legal requirements as are applicable to the Corporation or its business or to complete the organization of the Corporation.

PRINCIPAL OFFICE

RESOLVED, that the principal office for the transaction of business of the corporation shall be at 4115 Adeline St., in Emeryville, California.

ADOPTION OF ACCOUNTING YEAR

WHEREAS, the adoption of an accounting year for the Corporation is deemed advisable.

NOW, THEREFORE, BE IT RESOLVED, that the first accounting year of the Corporation be, and it hereby is, fixed from the date of incorporation to December 31, 2013, and thereafter the accounting year of the Corporation is to end on December 31st of each year.

EMPLOYER IDENTIFICATION NUMBER APPLICATION

WHEREAS, it is deemed to be in the best interests of the Corporation that the Corporation apply for and obtain any necessary employer identification number with the Internal Revenue Service ("IRS") and any other identification numbers, permits or licenses required by law or deemed necessary or advisable.

NOW, THEREFORE, BE IT RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized, directed and empowered to prepare and file, or cause to be prepared and filed, appropriate applications to obtain an employer identification number with the IRS and any other identification numbers, permits or licenses required by law or deemed necessary or advisable for the conduct of the business of the Corporation; and

RESOLVED FURTHER, that such specific resolutions as may be required to have been adopted by the Board in connection with any of the actions authorized or permitted by the foregoing resolutions by any of the jurisdictions in which such actions are taken or applications filed be and the same hereby are adopted, and the Secretary or Assistant Secretary of the Corporation is hereby authorized to certify as to the adoption of any and all such resolutions.

ADOPTION OF CONFLICT OF INTEREST AND ETHICS POLICY

WHEREAS, it is deemed to be in the best interest of the Corporation that a conflict of interest and ethics policy be adopted.

NOW, THEREFORE, BE IT RESOLVED, that the conflict of interest and ethics policy attached hereto as Exhibit C be, and they hereby are, adopted as the conflict of interest and ethics policy of the Corporation.

RATIFICATION

RESOLVED, that any and all acts taken and any and all agreements or other instruments executed on behalf of the Corporation by any officer or officers of the Corporation prior to the execution hereof with regard to any of the transactions or agreements authorized or approved by any or all of the foregoing resolutions are ratified, confirmed, adopted and approved.

GENERAL

RESOLVED FURTHER, that the officers of the Corporation be, and hereby are, authorized and directed to execute all documents and to take such action as they may deem necessary or advisable in order to carry out the purposes of these resolutions.

There being no further business to come before the meeting, on motion duly made and seconded, the meeting was adjourned.

Dated: Aug 1, 2013



Brian W. Carver, Secretary

EXHIBIT A

BYLAWS

Bylaws of

Free Law Project

A California Nonprofit Public Benefit Corporation

ARTICLE 1 NAME

Section 1.1 Corporate Name

The name of this corporation is **Free Law Project** (the “Corporation”).

ARTICLE 2 OFFICES

Section 2.1 Principal Office

The principal office for the transaction of the business of the Corporation may be established at any place or places within or without the State of California by resolution of the Board.

Section 2.2 Other Offices

The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to transact business.

ARTICLE 3 PURPOSES

Section 3.1 General Purpose

The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law of California (“California Nonprofit Corporation Law”) for **charitable** purposes.

Section 3.2 Specific Purpose

The specific purposes of the Corporation are primarily to provide free, public, and permanent access to primary legal materials on the Internet for educational, charitable, and scientific purposes to the benefit of the general public and the public interest; to develop, implement, and provide public access to technologies useful for legal research; to create an open ecosystem for legal research and materials; to support academic research on related technologies, corpora, and legal systems; and to carry on other charitable activities associated with these purposes, including, but not limited to, publications, meetings, conferences, trainings, educational seminars, and the issuance of grants and other financial support to educational institutions, foundations, and other organizations exclusively for educational, charitable, and scientific purposes as allowed by law.

ARTICLE 4 LIMITATIONS

Section 4.1 Political Activities

The Corporation has been formed under California Nonprofit Corporation Law for the charitable purposes described in ARTICLE 3, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.2 **Prohibited Activities**
The Corporation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in ARTICLE 3. The Corporation may not carry on any activity for the profit of its Officers, Directors or other persons or distribute any gains, profits or dividends to its Officers, Directors or other persons as such. Furthermore, nothing in ARTICLE 3 shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.

ARTICLE 5 DEDICATION OF ASSETS

Section 5.1 **Property Dedicated to Nonprofit Purposes**
The property of the Corporation is irrevocably dedicated to **charitable, scientific, and educational purposes as defined in Revenue and Taxation Code section 214, subdivision (j)**. No part of the net income or assets of the Corporation shall ever inure to the benefit of any of its Directors or Officers, or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in ARTICLE 3 hereof.

Section 5.2 **Distribution of Assets Upon Dissolution**
Upon the dissolution or winding up of the Corporation, its 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 which is organized and operated exclusively for **charitable, scientific, and educational purposes as defined in Revenue and Taxation Code section 214, subdivision (j)** and which has established its tax exempt status under Section 501(c)(3) of the Code.

ARTICLE 6 MEMBERSHIPS

Section 6.1 **Members**
The Corporation shall have no members within the meaning of section 5056 of the California Nonprofit Corporation Law.

Section 6.2 **Non-Voting Members**
The Board may adopt policies and procedures for the admission of associate members or other designated members who shall have no voting rights in the Corporation. Such associate or other members are not “members” of the Corporation as defined in section 5056 of the California Nonprofit Corporation Law.

ARTICLE 7 DIRECTORS

Section 7.1 **Number and Qualifications**

- 7.1.1 **Number**
The authorized number of directors of the Corporation (“Directors”) shall be not less than two or more than nine; the exact authorized number to be fixed, within these limits, by resolution of the Board.
- 7.1.2 **Qualifications**
There are no required qualifications for serving on the Board. Additional qualifications for serving on a particular Board seat may be set by resolution of the Board.
- Section 7.2 **Corporate Powers Exercised by Board**
Subject to the provisions of the Articles of Incorporation of the Corporation (the “Articles of Incorporation”), California Nonprofit Corporation Law and any other applicable laws, 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 (the “Board”). The Board may delegate the management of the activities of the Corporation to any person or persons, management company or committee however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.
- Section 7.3 **Terms; Election of Successors**
Directors shall be elected at each annual meeting of the Board for two-year terms. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until the election and qualification of a successor, or until that Director’s earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law. By resolution, the Board may arrange for terms to be staggered.
- Section 7.4 **Vacancies**
- 7.4.1 **Events Causing Vacancy**
A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) whenever the number of authorized Directors is increased; or (iii) the failure of the Board, at any meeting at which any Director or Directors are to be elected, to elect the full authorized number of Directors.
- 7.4.2 **Removal**
The Board may by resolution declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law.
- Directors may be removed without cause by a majority of Directors then in office.
- 7.4.3 **No Removal on Reduction of Number of Directors**
No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director’s term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and California Nonprofit Corporation Law.
- 7.4.4 **Resignations**
Except as provided in this Section 7.4.4, any Director may resign by giving written notice to the Chairperson, the President, the Secretary, or the Board. Such a written resignation will be

effective on the later of (i) the date it is delivered or (ii) the time specified in the written notice that the resignation is to become effective. No Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the California Attorney General (the "Attorney General").

7.4.5 Election to Fill Vacancies

If there is a vacancy on the Board, including a vacancy created by the removal of a Director, the Board may fill such vacancy by electing an additional director as soon as practicable after the vacancy occurs. If the number of Directors then in office is less than a quorum, additional directors may be elected to fill such vacancies by (i) the unanimous written consent of the Directors then in office, (ii) the affirmative vote of a majority of the Directors in office at a meeting held according to notice or waivers complying with section 5211 of the California Nonprofit Corporation Law, or (iii) a sole remaining Director.

Section 7.5 Regular Meetings

Each year, the Board shall hold at least one meeting, at a time and place fixed by the Board, for the purposes of election of Directors, appointment of Officers, review and approval of the corporate budget and transaction of other business. This meeting is sometimes referred to in these Bylaws as the "annual meeting." Other regular meetings of the Board may be held at such time and place as the Board may fix from time to time by resolution.

Section 7.6 Special Meetings

Special meetings of the Board for any purpose may be called at any time by the Chairperson, or the President, or the Vice President (if any), or the Secretary, or any two Directors.

Section 7.7 Notice of Meetings

7.7.1 Manner of Giving

Except when the time and place of a regular meeting is set by the Board by resolution in advance (as permitted by Section 7.5), notice of the time and place of all regular and special meetings shall be given to each Director by one of the following methods:

- (a) Personal delivery of oral or written notice;
- (b) First-class mail, postage paid;
- (c) Telephone, including a voice messaging system or other system or technology designed to record and communicate messages; or
- (d) Facsimile, electronic mail ("e-mail") or other means of electronic transmission if the recipient has consented to accept notices in this manner.

All such notices shall be given or sent to the Director's address, phone number, facsimile number or e-mail address as shown on the records of the Corporation. Any oral notice given personally or by telephone may be communicated directly to the Director or to a person who would reasonably be expected to promptly communicate such notice to the Director. Notice of regular meetings may be given in the form of a calendar or schedule that sets forth the date, time and place of more than one regular meeting.

- 7.7.2 **Time Requirements**
Notices sent by first-class mail shall be deposited into a United States mail box at least four days before the time set for the meeting. Notices given by personal delivery, telephone, voice messaging system or other system or technology designed to record and communicate messages, facsimile, e-mail or other electronic transmission shall be delivered at least 48 hours before the time set for the meeting.
- 7.7.3 **Notice Contents**
The notice shall state the time and place for the meeting, except that if the meeting is scheduled to be held at the principal office of the Corporation, the notice shall be valid even if no place is specified. The notice need not specify the purpose of the meeting unless required to elsewhere in these Bylaws.
- Section 7.8 **Place of Board Meetings**
Regular and special meetings of the Board may be held at any place within or outside the state that has been designated in the notice of the meeting, or, if not stated in the notice or, if there is no notice, designated by resolution of the Board. If the place of a regular or special meeting is not designated in the notice or fixed by a resolution of the Board, it shall be held at the principal office of the Corporation.
- 7.8.1 **Meetings by Telephone or Similar Communication Equipment**
Any meeting may be held by conference telephone or other communications equipment permitted by California Nonprofit Corporation Law, as long as all Directors participating in the meeting can communicate with one another and all other requirements of California Nonprofit Corporation Law are satisfied. All such Directors shall be deemed to be present in person at such meeting.
- Section 7.9 **Quorum and Action of the Board**
- 7.9.1 **Quorum**
A majority of Directors then in office (but no fewer than two Directors or one-fifth of the authorized number in Section 7.1.1, whichever is greater) shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 7.11.
- 7.9.2 **Minimum Vote Requirements for Valid Board Action**
Every act taken or decision made by a vote of the majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by California Nonprofit Corporation Law, the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.
- 7.9.3 **When a Greater Vote Is Required for Valid Board Action**
The following actions shall require a vote by a majority of all Directors then in office in order to be effective:
- (a) Approval of contracts or transactions in which a Director has a direct or indirect material financial interest as described in Section 10.1 (provided that the vote of any interested Director(s) is not counted);

- (b) Creation of, and appointment to, Committees (but not advisory committees) as described in Section 8.1;
- (c) Removal of a Director without cause as described in Section 7.4.2; and
- (d) Indemnification of Directors as described in ARTICLE 11.

Section 7.10	<u>Waiver of Notice</u> The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, and (ii) either before or after the meeting, each of the Directors who is not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent does not need to specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Also, notice of a meeting is not required to be given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice. Directors can protest the lack of notice only by presenting a written protest to the Secretary either in person, by first-class mail addressed to the Secretary at the principal office of the Corporation as contained on the records of the Corporation as of the date of the protest, or by facsimile addressed to the facsimile number of the Corporation as contained on the records of the Corporation as of the date of the protest.
Section 7.11	<u>Adjournment</u> A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.
Section 7.12	<u>Notice of Adjournment</u> Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the 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 7.13	<u>Conduct of Meetings</u> Meetings of the Board shall be presided over by the Chairperson, or, if there is no Chairperson or the Chairperson is absent, the President or, if the President and Chairperson are both absent, by the Vice President (if any) or, in the absence of each of these persons, by a chairperson of the meeting, chosen by a majority of the Directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by rules of procedure as may be determined by the Board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles, or with any provisions of law applicable to the Corporation.
Section 7.14	<u>Action Without Meeting</u> Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to the action. For the purposes of this Section 7.14 only, "all members of the Board" shall not include any "interested Director" as defined in section 5233 of the California Nonprofit Corporation Law. Such written

consent shall have the same force and effect as a unanimous vote of the Board taken at a meeting. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Written consent may be transmitted by first-class mail, messenger, courier, facsimile, e-mail or any other reasonable method satisfactory to the Chairperson or the President.

Section 7.15

Fees and Compensation of Directors

The Corporation shall not pay any compensation to Directors for services rendered to the Corporation as Directors, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board.

Also, Directors may not be compensated for rendering services to the Corporation in a capacity other than as Directors, unless such compensation is reasonable and further provided that not more than 49% of the persons serving as Directors may be “interested persons” which, for purposes of this Section 7.15 only, means:

- (a) any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full or part-time Officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or
- (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 any such person.

Section 7.16

Non-Liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

ARTICLE 8

COMMITTEES

Section 8.1

Committees of Directors

The Board may, by resolution adopted by a majority of the Directors then in office, create one or more Board Committees (“Committees”), including an executive committee, each consisting of two or more Directors, to serve at the discretion of the Board. Any Committee, to the extent provided in the resolution of the Board, may be given the authority of the Board except that no Committee may:

- (a) approve any action for which the California Nonprofit 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) 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 or the members of these Committees;
- (g) expend corporate funds to support a nominee for Director after more persons have been nominated than can be elected; or
- (h) approve any transaction (i) between the Corporation and one or more of its Directors or (ii) between the Corporation and any entity in which one or more of its Directors have a material financial interest.

Section 8.2

Meetings and Action of Board Committees

Meetings and action of Committees shall be governed by, and held and taken in accordance with, the provisions of ARTICLE 7 concerning meetings of Directors, with such changes in the context of ARTICLE 7 as are necessary to substitute the Committee and its members for the Board and its members, except that the time for regular meetings of Committees may be determined by resolution of the Board, and special meetings of Committees may also be called by resolution of the Board. Minutes shall be kept of each meeting of any Committee and shall be filed with the corporate records. The Committee shall report to the Board from time to time as the Board may require. The Board may adopt rules for the governance of any Committee not inconsistent with the provisions by these Bylaws. In the absence of rules adopted by the Board, the Committee may adopt such rules.

Section 8.3

Quorum Rules for Board Committees

A majority of the Committee members shall constitute a quorum for the transaction of Committee business, except to adjourn. A majority of the Committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Every act taken or decision made by a majority of the Committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the Committee, subject to the provisions of the California Nonprofit Corporation Law relating to actions that require a majority vote of the entire Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Committee members, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 8.4

Revocation of Delegated Authority

The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Committee, increase or decrease (but not below two) the number of members of a Committee, and fill vacancies in a Committee from the members of the Board.

Section 8.5

Nonprofit Integrity Act/Audit Committee

In any fiscal year in which the Corporation receives or accrues gross revenues of two million dollars or more (excluding grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received), the Board shall (i) prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant ("CPA") in conformity with generally accepted auditing standards; (ii) make the audit available to the Attorney General and to the public on the same basis that the Internal Revenue Service Form 990 is required to be made available; and (iii) appoint an Audit Committee.

The Audit Committee shall not include paid or unpaid staff or employees of the Corporation, including, if staff members or employees, the President or chief executive officer or the Treasurer or chief financial officer (if any). If there is a finance committee, members of the finance committee shall constitute less than 50% of the membership of the Audit Committee and the chairperson of the Audit Committee shall not be a member of the finance committee. Subject to the supervision of the Board, the Audit Committee shall:

- (a) make recommendations to the Board on the hiring and firing of the CPA;
- (b) confer with the CPA to satisfy Audit Committee members that the financial affairs of the Corporation are in order;
- (c) approve non-audit services by the CPA and ensure such services conform to standards in the Yellow Book issued by the United States Comptroller General; and
- (d) if requested by the Board, negotiate the CPA's compensation on behalf of the Board.

Section 8.6 Advisory Committees

The Board may create one or more advisory committees to serve at the pleasure of the Board. Appointments to such advisory committees need not, but may, be Directors. The Board shall appoint and discharge advisory committee members. All actions and recommendations of an advisory committee shall require ratification by the Board before being given effect.

ARTICLE 9 OFFICERS

Section 9.1 Officers

The officers of the Corporation ("Officers") shall be either a President or a Chairperson, or both, a Secretary, and a Treasurer or chief financial officer, or both. Other than the Chairperson, these persons may, but need not be, selected from among the Directors. The Board shall have the power to designate additional Officers, including a Vice President, who also need not be Directors, with such duties, powers, titles and privileges as the Board may fix, including such Officers as may be appointed in accordance with Section 9.6.6. Any number of offices may be held by the same person, except that the Secretary, the Treasurer and the chief financial officer (if any) may not serve concurrently as either the President or the Chairperson.

Section 9.2 Election of Officers

The Officers, except those appointed in accordance with Section 9.6.6, shall be elected by the Board at the annual meeting of the Corporation for a term of one year, and each shall serve at the discretion of the Board until his or her successor shall be elected, or his or her earlier resignation or removal. Officers may be elected for consecutive terms.

Section 9.3 Removal of Officers

Subject to the rights, if any, of an Officer under any contract of employment, any Officer may be removed, with or without cause, (i) by the Board, at any regular or special meeting of the Board, or at the annual meeting of the Corporation, or (ii) by an Officer on whom such power of removal may be conferred by the Board.

Section 9.4	<u>Resignation of Officers</u> 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 9.5	<u>Vacancies in Offices</u> 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, provided that such vacancies shall be filled as they occur and not on an annual basis. In the event of a vacancy in any office other than the President or one appointed in accordance with Section 9.6.6, such vacancy shall be filled temporarily by appointment by the President, or if none, by the Chairperson, and the appointee shall remain in office for 60 days, or until the next regular meeting of the Board, whichever comes first. Thereafter, the position can be filled only by action of the Board.
Section 9.6	<u>Responsibilities of Officers</u>
9.6.1	<u>Chairperson of the Board</u> The chairperson of the Board (the “Chairperson”), if any, shall be a Director and shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws. If the Board designates both a Chairperson and a President, the Board shall, by resolution, establish the specific duties carried by each position.
9.6.2	<u>President</u> The president of the Corporation (the “President”) shall, if there is no Chairperson, or in the Chairperson’s absence, preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws. If no other person is designated as the chief executive, the President shall, in addition, be the chief executive and shall have the powers and duties prescribed in Section 9.7.
9.6.3	<u>Vice President</u> The vice president of the Corporation (the “Vice President”), if any, shall, in the absence or disability of the President, perform all the duties of the President and, when so acting, have all the powers of and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as may be prescribed by the Board.
9.6.4	<u>Secretary</u> The secretary of the Corporation (the “Secretary”) shall attend to the following:
9.6.4.1	<u>Bylaws</u> The Secretary shall certify and keep or cause to be kept at the principal office of the Corporation the original or a copy of these Bylaws as amended to date.
9.6.4.2	<u>Minute Book</u> The Secretary shall keep or cause to be kept a minute book as described in Section 12.1.

- 9.6.4.3 Notices
The Secretary shall give, or cause to be given, notice of all meetings of the Board in accordance with these Bylaws.
- 9.6.4.4 Corporate Records
Upon request, the Secretary shall exhibit or cause to be exhibited at all reasonable times to any Director, or to his or her agent or attorney, these Bylaws and the minute book.
- 9.6.4.5 Corporate Seal and Other Duties
The Secretary shall keep or cause to be kept the seal of the Corporation, if any, in safe custody, and shall have such other powers and perform such other duties incident to the office of Secretary as may be prescribed by the Board or these Bylaws.
- 9.6.5 Treasurer
The treasurer of the Corporation (the “Treasurer”) shall attend to the following:
- 9.6.5.1 Books of Account
The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and 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.
- 9.6.5.2 Financial Reports
The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- 9.6.5.3 Deposit and Disbursement of Money and Valuables
The Treasurer shall 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 may be designated by the Board; shall disburse, or cause to be disbursed, the funds of the Corporation as may be ordered by the Board; shall render, or cause to be rendered to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation; and shall have other powers and perform such other duties incident to the office of Treasurer as may be prescribed by the Board or these Bylaws.
- 9.6.5.4 Bond
If required by the Board, the Treasurer 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 his office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

9.6.6 **Additional Officers**
The Board may empower the Chairperson, President, or chief executive, to appoint or remove 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 from time to time may determine.

Section 9.7 **Chief Executive**
Subject to such supervisory powers as may be given by the Board to the Chairperson or President, the Board may hire a chief executive who shall be the general manager of the Corporation, and subject to the control of the Board, shall supervise, direct and control the Corporation's day-to-day activities, business and affairs. The chief executive (who may be referred to as the "executive director") shall be empowered to hire, supervise and fire all of the employees of the Corporation, under such terms and having such job responsibilities as the chief executive shall determine in his or her sole discretion, subject to the rights, if any, of the employee under any contract of employment. The chief executive may delegate his or her responsibilities and powers subject to the control of the Board. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws. Additionally, the Board may, by resolution, appoint the chief executive as an Officer.

Section 9.8 **Compensation of Officers**

9.8.1 **Salaries Fixed by Board**
The salaries of Officers, if any, shall be fixed from time to time by resolution of the Board or by the person or Committee to whom the Board has delegated this function, and no Officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director, provided, however, that such compensation paid to a Director for serving as an Officer shall only be allowed if permitted under the provisions of Section 7.15. In all cases, any salaries received by Officers shall be reasonable and given in return for services actually rendered for the Corporation which relate to the performance of the public benefit purposes of the Corporation. No salaried Officer serving as a Director shall be permitted to vote on his or her own compensation as an Officer.

9.8.2 **Fairness of Compensation**
The Board shall periodically review the fairness of compensation, including benefits, paid to every person, regardless of title, with powers, duties, or responsibilities comparable to the president, chief executive officer, treasurer, or chief financial officer (i) once such person is hired, (ii) upon any extension or renewal of such person's term of employment, and (iii) when such person's compensation is modified (unless all employees are subject to the same general modification of compensation).

ARTICLE 10 TRANSACTIONS BETWEEN CORPORATION AND DIRECTORS OR OFFICERS

Section 10.1 **Transactions with Directors and Officers**

10.1.1 **Interested Party Transactions**

Except as described in Section 10.1.2, the Corporation shall not be a party to any transaction:

- (a) in which one or more of its Directors or Officers has a material financial interest, or

- (b) with any corporation, firm, association, or other entity in which one or more Directors or Officers has a material financial interest.

10.1.2 Requirements to Authorize Interested Party Transactions

The Corporation shall not be a party to any transaction described in 10.1.1 unless:

- (a) the Corporation enters into the transaction for its own benefit;
- (b) the transaction is fair and reasonable to the Corporation at the time the transaction is entered into;
- (c) prior to consummating the transaction or any part thereof, the Board authorizes or approves the transaction in good faith, by a vote of a majority of Directors then in office (without counting the vote of the interested Directors), and with knowledge of the material facts concerning the transaction and the interested Director's or Officer's financial interest in the transaction;
- (d) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
- (e) the minutes of the Board meeting at which such action was taken reflect that the Board considered and made the findings described in paragraphs (a) through (d) of this Section 10.1.2.

10.1.3 Material Financial Interest

A Director or Officer shall not be deemed to have a "material financial interest" in a transaction:

- (a) that fixes the compensation of a Director as a Director or Officer;
- (b) if the contract or transaction is part of a public or charitable program of the Corporation and it (1) is approved or authorized by the Corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Directors or their families only because they are in the class of persons intended to be benefited by the program; or
- (c) where the interested Director has no actual knowledge of the transaction and it does not exceed the lesser of one percent of the gross receipts of the corporation for the preceding year or \$100,000.

Section 10.2

Loans to Directors and Officers

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General; except that, however, the Corporation may advance money to a Director or Officer for expenses reasonably anticipated to be incurred in the performance of duties of such Director or Officer, if in the absence of such advance, such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

The limitation above does not apply if (i) the loan is necessary, in the judgment of the Board, to provide financing for the purchase of the principal residence of an Officer in order to secure the services of (or continued services of) the Officer and the loan is secured by real property located in California; or (ii) the loan is for the payment of premiums on a life insurance policy on the life of a Director or Officer and repayment to the Corporation of the amount paid by it is secured by the proceeds of the policy and its cash surrender value.

- Section 10.3 **Interlocking Directorates**
No contract or other transaction between the Corporation and any corporation, firm or association of which one or more Directors are directors is either void or voidable because such Director(s) are present at the Board or Committee meeting that authorizes, approves or ratifies the contract or transaction, if (i) the material facts as to the transaction and as to such Director's other directorship are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director(s) (subject to the quorum provisions of ARTICLE 7); or if (ii) the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified.
- Section 10.4 **Duty of Loyalty; Construction with ARTICLE 11**
Nothing in this ARTICLE shall be construed to derogate in any way from the absolute duty of loyalty that every Director and Officer owes to the Corporation. Furthermore, nothing in this ARTICLE shall be construed to override or amend the provisions of ARTICLE 11. All conflicts between the two articles shall be resolved in favor of ARTICLE 11.

ARTICLE 11 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

- Section 11.1 **Definitions**
For purpose of this ARTICLE 11,
- 11.1.1 **“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 that was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation;
- 11.1.2 **“Proceeding”**
means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and
- 11.1.3 **“Expenses”**
includes, without limitation, all attorneys' fees, costs, and any other expenses reasonably incurred in the defense of any claims or proceedings against an Agent by reason of his or her position or relationship as Agent and all attorneys' fees, costs, and other expenses reasonably incurred in establishing a right to indemnification under this ARTICLE 11.

Section 11.2	<u>Applicability of Indemnification Provisions</u>
11.2.1	<p><u>Successful Defense by Agent</u></p> <p>To the extent that an Agent has been successful on the merits in the defense of any proceeding referred to in this ARTICLE 11, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the claim.</p>
11.2.2	<p><u>Settlement or Unsuccessful Defense by Agent</u></p> <p>If an Agent either settles any proceeding referred to in this ARTICLE 11, or any claim, issue, or matter therein, or sustains a judgment rendered against him, then the provisions of Section 11.3 through Section 11.6 shall determine whether the Agent is entitled to indemnification.</p>
Section 11.3	<p><u>Actions Brought by Persons Other than the Corporation</u></p> <p>This Section 11.3 applies to any proceeding other than an action “by or on behalf of the corporation” as defined in Section 11.4. Such proceedings that are not brought by or on behalf of the Corporation are referred to in this Section 11.3 as “Third Party proceedings.”</p>
11.3.1	<p><u>Scope of Indemnification in Third Party Proceedings</u></p> <p>Subject to the required findings to be made pursuant to Section 11.3.2, the Corporation <i>shall</i> indemnify any person who was or is a party, or is threatened to be made a party, to any Third Party proceeding, by reason of the fact that such person is or was an Agent, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.</p>
11.3.2	<p><u>Required Standard of Conduct for Indemnification in Third Party Proceedings</u></p> <p>Any indemnification granted to an Agent in Section 11.3.1 above is conditioned on the following. The Board must determine, in the manner provided in Section 11.5, that the Agent seeking reimbursement acted in good faith, in a manner he or she reasonably believed to be in the best interest of the Corporation, and, in the case of a criminal proceeding, he or she must have had no reasonable cause to believe that his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of <i>nolo contendere</i> or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner he or she reasonably believed to be in the best interest of the Corporation or that he or she had reasonable cause to believe that his or her conduct was unlawful.</p>
Section 11.4	<p><u>Action Brought By or On Behalf Of the Corporation</u></p> <p>This Section 11.4 applies to any proceeding brought (i) by or in the right of the Corporation, or (ii) by an Officer, Director or person granted relator status by the Attorney General, or by the Attorney General, on the ground that the defendant Director was or is engaging in self-dealing within the meaning of section 5233 of the California Nonprofit Corporation Law, or (iii) by the Attorney General or person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust (any such proceeding is referred to in these Bylaws as a proceeding “by or on behalf of the Corporation”).</p>
11.4.1	<p><u>Scope of Indemnification in Proceeding By or On Behalf Of the Corporation</u></p> <p>Subject to the required findings to be made pursuant to Section 11.4.2, and except as provided in Sections 11.4.3 and 11.4.4, the Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding by or on behalf of the Corporation, by reason of</p>

the fact that such person is or was an Agent, for all expenses actually and reasonably incurred in connection with the defense or settlement of such action.

11.4.2 Required Standard of Conduct for Indemnification in Proceeding By or On Behalf Of the Corporation

Any indemnification granted to an Agent in Section 11.3.1 is conditioned on the following. The Board must determine, in the manner provided in Section 11.5, that the Agent seeking reimbursement acted in good faith, in a manner he or she believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

11.4.3 Claims Settled Out of Court

If any Agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the Corporation, with or without court approval, the Agent shall receive no indemnification for amounts paid pursuant to the terms of the settlement or other disposition. Also, in cases settled or otherwise disposed of without court approval, the Agent shall receive no indemnification for expenses reasonably incurred in defending against the proceeding, unless the proceeding is settled with the approval of the Attorney General.

11.4.4 Claims and Suits Awarded Against Agent

If any Agent is adjudged to be liable to the Corporation in the performance of the Agent's duty to the Corporation, the Agent shall receive no indemnification for amounts paid pursuant to the judgment, and any indemnification of such Agent under Section 11.4.1 for expenses actually and reasonably incurred in connection with the defense of that action shall be made only if both of the following conditions are met:

- (a) The determination of good faith conduct required by Section 11.4.2 must be made in the manner provided for in Section 11.5; and
- (b) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent is fairly and reasonably entitled to indemnity for the expenses incurred. If the Agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

Section 11.5 Determination of Agent's Good Faith Conduct

The indemnification granted to an Agent in Section 11.3 and Section 11.4 is conditioned on the findings required by those Sections being made by:

- (a) the Board by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or
- (b) the court in which the proceeding is or was pending. Such determination may be made on application brought by the Corporation or the Agent or the attorney or other person rendering a defense to the Agent, whether or not the application by the Agent, attorney, or other person is opposed by the Corporation.

Section 11.6 Limitations

No indemnification or advance shall be made under this ARTICLE 11, except as provided in Section 11.2.1 or Section 11.5(b), in any circumstances when it appears:

- (a) that the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, as amended, 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
- (b) that the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 11.7

Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by the Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it is determined ultimately that the Agent is entitled to be indemnified as authorized in this ARTICLE 11.

Section 11.8

Contractual Rights of Non-Directors and Non-Officers

Nothing contained in this ARTICLE 11 shall affect any right to indemnification to which persons other than Directors and Officers of the Corporation, or any of its subsidiaries, may be entitled by contract or otherwise.

Section 11.9

Insurance

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Agent, as defined in this ARTICLE 11, against any liability asserted against or incurred by any 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 the liability under the provisions of this ARTICLE 11.

ARTICLE 12 CORPORATE RECORDS, REPORTS AND SEAL

Section 12.1

Minute Book

The Corporation shall keep a minute book in written form which shall contain a record of all actions by the Board or any committee including (i) the time, date and place of each meeting; (ii) whether a meeting is regular or special and, if special, how called; (iii) the manner of giving notice of each meeting and a copy thereof; (iv) the names of those present at each meeting of the Board or any Committee thereof; (v) the minutes of all meetings; (vi) any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof; (vii) all written consents for action without a meeting; (viii) all protests concerning lack of notice; and (ix) formal dissents from Board actions.

Section 12.2

Books and Records of Account

The Corporation shall keep adequate and correct books and records of account. "Correct books and records" includes, but is not necessarily limited to: accounts of properties and transactions, its assets, liabilities, receipts, disbursements, gains, and losses.

Section 12.3

Articles of Incorporation and Bylaws

The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Section 12.4 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

The Corporation shall at all times keep at its principal office a copy of its federal tax exemption application and, for three years from their date of filing, its annual information returns. These documents shall be open to public inspection and copying to the extent required by the Code.

Section 12.5 Annual Report; Statement of Certain Transactions

The Board shall cause an annual report to be sent to each Director within 120 days after the close of the Corporation's fiscal year containing the following information:

- (a) The assets and liabilities 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 this fiscal year;
- (d) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year;
- (e) A statement of any transaction (i) to which the Corporation, its parent, or its subsidiary was a party, (ii) which involved more than \$50,000 or which was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (iii) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a financial interest):
 - (1) Any Director or Officer of the Corporation, its parent, or its subsidiary;
 - (2) Any holder of more than 10% of the voting power of the Corporation, its parent, or its subsidiary.

The statement shall include: (i) a brief description of the transaction; (ii) the names of interested persons involved; (iii) their relationship to the Corporation; (iv) the nature of their interest in the transaction, and; (v) when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

- (f) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director under ARTICLE 10 or ARTICLE 11.

Section 12.6 Directors' Rights of Inspection

Every Director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, and physical properties of the Corporation and each of its subsidiaries. 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 12.7 **Corporate Seal**
The corporate seal, if any, shall be in such form as may be approved from time to time by the Board. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

ARTICLE 13 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 13.1 **Execution of Instruments**
The Board, except as otherwise provided in these Bylaws, may by resolution authorize any Officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, 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 or to render it liable monetarily for any purpose or in any amount.

Section 13.2 **Checks and Notes**
Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer and countersigned by the President.

Section 13.3 **Deposits**
All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

Section 13.4 **Gifts**
The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the charitable or public purposes of the Corporation.

ARTICLE 14 CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions of California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced.

ARTICLE 15 AMENDMENTS

Section 15.1 **Amendment by Directors**
The Board may adopt, amend or repeal bylaws. Such power is subject to the following limitations:

- (a) Where any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise is required by law, such provision may not be altered, amended or repealed except by the vote of such greater number.
- (b) No amendment may extend the term of a Director beyond that for which such Director was elected.
- (c) If bylaws are adopted, amended or repealed at a meeting of the Board, such action is authorized only at a duly called and held meeting for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefor, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.

[END OF BYLAWS]

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of **Free Law Project**, a California nonprofit public benefit corporation; that these Bylaws, consisting of **20** pages, are the Bylaws of this Corporation as adopted by the Board of Directors on August 1, 2013; and that these Bylaws have not been amended or modified since that date.

Executed on August 1, 2013 at Emeryville, California.


Brian W. Carver
Secretary

EXHIBIT B

CONSENT TO ELECTRONIC TRANSMISSION

As a Director of [Corporation] (the “Corporation”), you must provide an unrevoked consent in order to receive official communications from the Corporation via electronic transmission (fax or e-mail), as permitted by Article __, Section __ of the Corporation’s Bylaws. This consent form will allow the Corporation to send you meeting notices and handle other official business that requires Director approval via fax or e-mail.

Before signing this consent form, please review and be aware of the following:

1. You are not required to sign this form. You may request that meeting notices and other matters of official business be sent to you via regular mail, telephone, or any other method permitted by Article 7, Section 7.7.1 of the Corporation’s Bylaws.
2. You have the right to withdraw your consent at any time after signing this form by providing the Corporation with written notice that you are withdrawing your consent relative to electronic transmission.
3. This consent to electronic transmission is broad, and may include transmission of meeting notices and other important information regarding the Corporation. This consent form represents consent under Section 20 of the California Corporations Code.
4. Consenting to electronic transmission via fax requires that you have access to a fax machine and have a current fax number on file with the Corporation.
5. Consenting to electronic transmission via e-mail requires that you have access to a computer, have a current e-mail account in your name, and have provided your current e-mail address to the Corporation.

The undersigned Director has read and understands the foregoing, and hereby provides this un-revoked consent to receive and send information, including but not necessarily limited to meeting notices and other information regarding the Corporation, via electronic transmission (fax or e-mail), until such time as this consent is revoked in writing.

Signature: _____ Date: _____

Name: _____ (please print)

Fax number: _____

E-mail address: _____

PLEASE RETURN SIGNED ORIGINAL OR COPY OF THIS CONSENT
TO:

Brian W. Carver
4115 Adeline St.
Emeryville, CA 94608
bcarver@ischool.berkeley.edu

EXHIBIT C

CONFLICT OF INTEREST AND ETHICS POLICY

CONFLICT OF INTEREST AND ETHICS POLICY

OF

Free Law Project

A California Nonprofit Public Benefit Corporation

ARTICLE I. INTRODUCTION AND PURPOSE

Free Law Project (the “Corporation”) requires its directors, officers, employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The Board of Directors (the “Board”) of the Corporation, recognizing that it is entrusted with resources devoted to charitable purposes, has adopted this Conflict of Interest and Ethics Policy (the “Policy”). The purpose of this Policy is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer or other person in a position of authority within the Corporation. The Corporation strives to avoid conflicts of interest to ensure that it continues to operate in accordance with its tax-exempt purpose. This Policy is intended to supplement but not replace any state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II. DEFINITIONS

Section 1. Duty of Loyalty of Interested Persons. Conflicts of interest can place personal interests at odds with the fiduciary “duty of loyalty” owed to the Corporation. The duty of loyalty requires that a director, manager, principal, officer, or member of a committee with governing board-delegated powers (each, an “Interested Person”), refrain from using his or her position for personal gain, and avoid acting on issues in which his or her personal or financial interests could conflict with the interests of the Corporation.

Section 2. Direct and Indirect Conflicts of Interest. Conflicts of interest arise from personal relationships or from a financial interest. Conflicts can arise either directly or indirectly. A direct conflict can arise where an Interested Person has a personal or financial interest in any matter involving the Corporation or has a financial or agency relationship (i.e., is a director, officer, manager, partner, associate, trustee or has a similar agency relationship) with an entity involved in a transaction or other business with the Corporation. An indirect conflict can arise where someone related to an Interested Person by business affiliation, or a “Family Member” (spouse, parents-in-law, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren, and

spouses of brothers, sisters, children, grandchildren, and great-grandchildren) of the Interested Person has dealings with the Corporation. By way of example, an Interested Person has a financial interest if such person has, directly or indirectly, through business, investment or a Family Member:

- (a) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Section 3. Potential and Actual Conflicts of Interest. Acts that mix the personal or financial interests of an Interested Person with the interests of the Corporation are indicative of a conflict of interest. Not every potential conflict is an actual conflict, however. An Interested Person who has a financial interest in a matter involving the Corporation may have a conflict of interest requiring application of the mitigating procedures described in this Policy only if the appropriate party designated in Article III, Section 3 decides that such a potential conflict of interest is actual or material. However, acts that even have the appearance of a conflict of interest can be damaging to the reputation of the Corporation. Consequently, the Corporation seeks to avoid potential and actual conflicts of interest, as well as the appearance of conflicts.

Section 4. Activities that May Present a Conflict of Interest. The following is a non-exclusive list of the types of activities that may present a conflict of interest and should be disclosed in accordance with Article III.

- (a) **Adverse Interest.** Participation by an Interested Person in decisions or negotiations related to a contract, transaction or other matter between the Corporation and: (i) the Interested Person; (ii) an entity in which the Interested Person or a Family Member of such person has financial interest; or (iii) an entity with which the Interested Person has an agency relationship.
- (b) **Competing Interests.** Competition by an Interested Person, either directly or indirectly, with the Corporation in the purchase or sale of property or property rights, interests, or services, or, in some instances, competition directly for the same donor or external resources.

- (c) **Use of Resources.** Use of the Corporation's resources (for example, staff, contracts, donor lists, or name) for personal purposes of the Interested Person or a Family Member of such person.
- (d) **Inside Information.** Disclosure or exploitation by an Interested Person of information pertaining to the Corporation's business for the personal profit or advantage of such person or a Family Member of such person or a person/entity with whom the Interested Person has an agency relationship.

Section 5. Disclosure. The primary obligation of any person subject to this Policy who may be involved in a conflict of interest situation is to bring it to the attention of those designated under the disclosure procedures in Article III so that the potential conflict can be evaluated and addressed. An Interested Person should not make the decision about whether a conflict of interest exists unilaterally.

ARTICLE III. PROCEDURES TO DISCLOSE AND RESOLVE CONFLICTS

Section 1. Duty to Self-Disclose.

- (a) An Interested Person shall make an appropriate disclosure of all material facts, including the existence of any financial interest, at any time that any actual or potential conflict of interest or ethical question arises. This disclosure obligation includes instances in which an Interested Person who is a director knows of the potential for a self dealing transaction as described in Section 4, or a transaction involving common directorship as described in Section 7, related to his or her interests. It also includes instances in which the Interested Person plans not to attend a meeting of the Board or a Board committee with governing board-delegated powers (a "Committee") at which he or she has reason to believe that the Board or Committee will act regarding a matter about which he or she may have a conflict. Depending on the circumstances, this disclosure may be made to the Chairperson of the Board, the President, or the Secretary, or, if the potential conflict of interest first arises in the context of a Board or Committee meeting, the entire Board or the members of the Committee considering the proposed transaction or arrangement that relates to the actual or possible conflict of interest or ethical question.
- (b) In addition, Interested Persons shall, in accordance with Article VI, make an annual disclosure of on-going relationships and interests that may present a conflict of interest.

Section 2. Disclosure of Conflicts of Others. If an Interested Person becomes aware of any potential self dealing or common directorship transaction or other conflict of interest involving another Interested Person, he or she should report it in accordance with the requirements of this Article III.

Section 3. Evaluation of Potential Conflict.

- (a) After disclosure of all material facts and any follow-up discussion with the Interested Person with a potential conflict of interest, a determination must be made about whether a material financial interest, self dealing transaction or other kind of actual conflict exists. If the potential conflict is first disclosed during a Board or Committee meeting at which the Interested Person with the potential conflict is in attendance, the Interested Person shall leave the meeting while the determination of whether a conflict of interest exists is either discussed and voted upon or referred to Committee for further consideration. In either event, the decision-making body will evaluate the disclosures by the Interested Person, and will determine on a case-by-case basis whether the disclosed activities constitute an actual conflict of interest. If the disclosure is made outside of the context of a meeting, then the determination of whether a conflict exists will be referred to the Board of Directors for decision and action. Factors the decision-making body may consider when determining whether an actual conflict exists include (i) the proximity of the Interested Person to the decision-making authority of the other entity involved in the transaction, (ii) whether the amount of the financial interest or investment is *de minimis* relative to the overall financial situation of the Corporation, and (iii) the degree to which the Interested Person might benefit personally if a particular transaction were approved.
- (b) If it is determined that an actual conflict of interest exists which also constitutes a “self dealing” transaction as described in Section 4, then the transaction or matter in question can only be authorized if approved by the vote described in Section 6(a) after the Corporation has followed the procedures set forth in Section 5.
- (c) If it is determined that an actual conflict of interest exists which is not a “self dealing” transaction, but involves participation by the Interested Person in decisions or negotiations related to a material contract, transaction or other matter between the Corporation on the one hand and (i) the Interested Person, (ii) an entity in which the Interested Person or a Family Member of such person has financial interest, or (iii) an entity with which the Interested Person has an agency relationship on the other hand, then the matter in question can only be authorized if approved by the vote described in Section 6(b) after the Corporation has followed the procedures set forth in Section 5.

- (d) In all other circumstances where it is determined that an actual conflict of interest exists, the decision-making body will recommend an appropriate course of action to protect the interests of the Corporation. All disclosures and the outcome of the deliberation about whether a conflict of interest exists will be recorded in the minutes of the appropriate deliberative meeting.

Section 4. “Self Dealing” Transactions of Directors.

- (a) Section 5233 of the California Corporations Code requires that certain procedures be followed in order for the Board to approve any specific transaction that involves “self dealing” on the part of a director. Section 5233 defines self dealing as a transaction in which a director has a material financial interest (an “interested director”). Section 5233 requires that self dealing transactions be approved by a greater vote than other Board actions, as described in Section 6(a).
- (b) The following are exempt from the approval requirements of section 5233 (and therefore the Corporation need not obtain the vote described in Section 6(a)): (i) approval of an action fixing the compensation of a director as a director or officer; (ii) good faith approval, without unjustified favoritism, of a charitable program of which a director or a director’s Family Member(s) are among the intended beneficiaries; and (iii) a transaction about which an interested director had no actual knowledge involving an amount that does not exceed the lesser of one percent of the gross receipts of the Corporation for the preceding fiscal year or \$100,000.

Section 5. Procedures for Addressing a Conflict of Interest. Prior to voting on a contract, transaction or matter in which an actual conflict of interest is found to exist, the Board or Committee will follow the procedures described in this Section 5.

- (a) The Interested Person may make a presentation at the Board or Committee meeting at which such transaction is being considered, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The Chairperson of the Board or Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Board or Committee shall determine whether the Corporation could obtain with reasonable efforts a more advantageous

transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Committee shall determine whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board shall make its decision as to whether to enter into the transaction or arrangement by the vote described in Section 6.

Section 6. Vote Required for Approval of Conflict Transaction.

- (a) A self dealing transaction must receive prior approval by a vote of a majority of the directors in office, without counting the vote of any interested director, and with knowledge of the material facts of the transaction and the involved director's interest.
- (b) A transaction in which an actual conflict of interest exists but is not a self dealing transaction must receive prior approval by a majority vote of the disinterested directors or Committee members present at a meeting at which a quorum is present.

Section 7. Interlocking Directorships.

Section 5234 of the California Corporations Code permits transactions between corporations having common directors so long as all material facts regarding the transaction and the relevant directorships are known to the respective boards of directors, and the matters are approved in good faith by a vote sufficient without counting the vote of the common director(s). Such transactions are not self dealing transactions subject to Section 4.

Section 8. Violations of the Conflict of Interest Policy.

- (a) If the Board has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board determines the

Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV. RECORDS OF PROCEEDINGS

The minutes of the Board or Committee meeting convened to consider a transaction subject to the mitigating procedures described in Article III shall contain:

- (a) The names of the Interested Persons who disclosed or whom otherwise were found to have a financial or other interest in connection with an actual or possible conflict of interest, the nature of the financial or other interest, any action taken to determine whether a conflict of interest was present, and the Board's or Committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V. COMPENSATION

Section 1. A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

Section 2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

Section 3. No voting member of the Board or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly from the Corporation, either individually or collectively, is prohibited from providing information to any Committee regarding compensation.

ARTICLE VI. ANNUAL STATEMENTS

Each person subject to this Policy shall annually sign a statement on the conflict of interest disclosure form ("Conflict of Interest Disclosure Form," attached as **Schedule 1**) or such other form as the Board adopts, which at a minimum affirms that such person:

- (a) has received a copy of the Policy;

- (b) has read and understands the Policy;
- (c) has agreed to comply with the Policy; and
- (d) understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

In addition, Interested Persons shall make an annual disclosure of on-going relationships and interests that may present a conflict of interest. Disclosures should address current affiliations, as well as past affiliations for the prior two years. Conflict of interest disclosure forms will be submitted to the Chairperson of the Board annually, and when appropriate, at or prior to action on relevant business transactions.

ARTICLE VII. PERIODIC REVIEWS

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- (b) Whether partnerships, joint ventures and arrangements with management companies conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

This periodic compensation review shall be in addition to the Board's statutory obligation to periodically review the fairness of compensation, including benefits, paid to the President and Chief Financial Officer of the Corporation (i) once such officer is hired; (ii) upon any extension or renewal of the officer's term of employment; and (iii) when the officer's compensation is modified (unless all employees are subject to the same general modification of compensation).

ARTICLE VIII. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of the responsibilities for ensuring periodic reviews are conducted.

ARTICLE IX. CODE OF ETHICS

Section 1. Code of Ethics. In conducting business and activities which are connected with the Corporation, an Interested Person shall follow these guidelines:

- (a) **Ethical Conduct.** Be honest and ethical in his or her conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships. An Interested Person should not engage in activities which have or may have the appearance of impropriety or conflict of interest, or that may call into question the actions or integrity of the Corporation, or of the Interested Person as he or she relates to the Corporation.
- (b) **Legal Compliance.** Comply with applicable laws and regulations, including the California Nonprofit Integrity Act of 2004, and report his or her concerns to the appropriate person listed in Article III if it appears that any other director, officer, employee or contractor of the Corporation is not complying with applicable laws or regulations with respect to the Corporation's business.
- (c) **Confidentiality.** Maintain the confidentiality of all internal information about the Corporation, including its donors, clients and beneficiaries, except when authorized or otherwise legally obligated to disclose such information.
- (d) **Fair Dealing.** Deal fairly with the Corporation's staff, donors, volunteers, beneficiaries and suppliers.
- (e) **Protect Assets.** Protect and ensure the proper use of the Corporation's assets, including, its name, goodwill, donor community and reputation.
- (f) **Personal Influence.** Be mindful of the interaction between his or her relationships inside and outside of the Corporation, and not allow inappropriate personal influence over the affairs of the Corporation.
- (g) **Commitments.** Do not "speak for" the Corporation or make or imply commitments by the Corporation without proper internal authorization and communication.
- (h) **Loans.** The Corporation should not make loans to Interested Persons except to induce persons who have been offered a position to join the Corporation, as approved by the Board.]

CONFLICT OF INTEREST AND ETHICS POLICY

SCHEDULE 1: CONFLICT OF INTEREST DISCLOSURE FORM

The undersigned, as a director, manager, principal, officer, or member of a committee with governing board-delegated powers, of **Free Law Project** (the “Corporation”), acknowledges that:

1. he or she has received a copy of the Corporation’s Conflict of Interest Policy (the “Policy”);
2. he or she has read and understands the Policy;
3. he or she has agreed to comply with the Policy;
4. he or she understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
5. the following on-going relationships and interests may present a conflict of interest: (*disclosures should address current affiliations, as well as past affiliations for the prior two years, and should include all of the following: the undersigned’s employer, all corporations (nonprofit and for-profit) of which the undersigned is a board member or officer, and the names of such of the undersigned’s Family Members or business affiliates or any other relationships the undersigned has which the undersigned believes may present a potential conflict*)

Name: _____

Title: _____

Signature: _____

Date: _____