

OCT 6, 2009

**MEMORANDUM OF AGREEMENT**  
**BETWEEN**  
**LOS ANGELES FIRE DEPARTMENT**  
**AND**  
**LAFD FOUNDATION, INC.**

This Memorandum of Agreement (this "MOA") is entered into as of June 20, 2008 (the "Effective Date") by and between the City of Los Angeles, a municipal corporation (the "City"), acting by and through its Board of Fire Commissioners (the "Board"), the Los Angeles Fire Department (the "Fire Department"), acting by and through its Fire Chief (the "Fire Chief"), and the LAFD Foundation, Inc., a California non-profit public benefit corporation (the "Foundation").

**RECITALS**

WHEREAS, the Fire Department is a department of the City. The Chief Administrative Officer of the Fire Department is the Fire Chief.

WHEREAS, the Board and the Fire Department support the establishment of the Foundation.

WHEREAS, the Foundation was incorporated as a California non-profit public benefit corporation by filing the articles of incorporation, a copy of which are attached hereto as Appendix A (as amended from time to time, the "Articles"), with the Secretary of State of California on February 25, 2008.

WHEREAS, the Foundation is governed by the Articles and its bylaws, a copy of which are attached hereto as Appendix B (as amended from time to time, the "Bylaws"). The activities and affairs of the Foundation will be conducted and all of its corporate powers will be exercised by or under the direction of its Board of Directors, the members of which are designated, selected and elected in accordance with the Bylaws.

WHEREAS, the Foundation is organized for those purposes set forth in the Articles and to otherwise engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California.

WHEREAS, the purpose of this MOA is to establish a written understanding between the Fire Department and the Foundation to define each party's respective role and responsibilities, and to set forth the financial relationship between the Fire Department and the Foundation.

NOW, THEREFORE, in consideration of the recitals and mutual obligations herein contained, the Fire Department and the Foundation hereby agree that the understanding between them is as follows:

I. REPRESENTATIVES OF PARTIES.

A. The representatives of the respective parties are authorized to administer this MOA and to whom formal notices, demands, requests and communication shall be given are as follows:

For the Fire Department: Fire Chief, currently Douglas Barry

For the Foundation: Chairman, currently Marc Cohen

B. All notices required or permitted by this MOA shall be in writing and may be delivered in person, or may be sent by regular, certified or registered mail or by facsimile transmission during normal business hours, and shall be deemed sufficiently given if served in a manner specified in this paragraph.

II. TERM. The term of this MOA shall be for three (3) years beginning on the Execution Date.

III. ROLES AND RESPONSIBILITIES OF PARTIES. The Fire Department and the Foundation hereby agree that the understanding between them as to the respective roles, responsibilities and financial relationship is as follows:

A. Authority. Fundraising. The Foundation has been designated by the Fire Department as an authorized fundraising organization of the Fire Department. The Foundation is authorized to raise funds in furtherance of its specific purposes including those provided herein.

B. Employment Practices. The Foundation will make all hiring, retention and compensation decisions with respect to its employees, consultants and advisors. All such decisions shall be subject to all applicable laws. The employees, consultants and advisors of the Foundation will not be deemed employees, consultants and advisors of the Board, the Fire Department or the City.

C. Promotion. The Fire Department will use its reasonable efforts to provide appropriate informational materials about the Foundation at each of its firehouses and stations, as well as on the Fire Department's website ([www.lafd.org](http://www.lafd.org)) and at other Fire Department work locations.

D. Intellectual Property. Prior to usage of intellectual property, the Foundation agrees to enter into a license agreement pursuant to which the City shall grant to the Foundation a non-exclusive, royalty-free license to use the Fire Department's intellectual property in connection with the Foundation's purposes during the existence of the Foundation.

E. Funding Requests. The Fire Department will provide the Foundation with information relating to the Fire Department's approved funding requests. The Foundation may use such information in determining the use of the Foundation's assets.

F. Financial Statements. At the request of the City, the Fire Chief or the Board, the Foundation will promptly provide to the requesting party the then most recently available (i) annual financial statements (and, if such financial statements have been audited, the applicable audit report with respect thereto) and (ii) tax returns for the Foundation.

G. Disposition of Assets Upon Dissolution. Pursuant to the Articles, upon dissolution, the net assets of the Foundation will be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or shall be distributed to federal, state or local government, for a public purpose.

IV. GOVERNING LAW. This MOA will be governed by and construed and enforced in accordance with the laws of the State of California without reference to any principles of conflicts of law thereof.

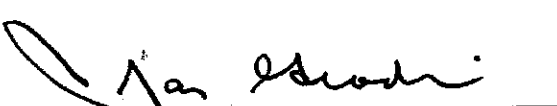
V. ENTIRE AGREEMENT; AMENDMENTS; WAIVERS. This MOA constitutes the entire agreement and understandings between the parties hereto, and supersedes all prior agreements, promises, negotiations or representations relating to the subject matter hereof. All amendments to this MOA must be in writing and signed by the parties hereto. No waiver hereunder will be valid unless in writing and signed by the parties hereto.

*[Signature page to follow.]*


IN WITNESS WHEREOF, the parties hereto have agreed and signed this MOA as of the Effective Date.

**LAFD Foundation, Inc.**, a California non-profit public benefit corporation

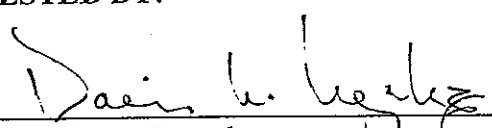
  
Name: Marc Cohen  
Title: Chairman

  
Name: Jay Grodin  
Title: Secretary

**Los Angeles Fire Department**, a department of the City of Los Angeles, acting by and through its Fire Chief


  
Name: Douglas L. Barry  
Title: Fire Chief

**ATTESTED BY:**

  
Name: Dacia E. Gonzalez  
Title: Executive Administrative Assistant III  
Fire Chief's Office

**APPROVED AS TO FORM:**

**Los Angeles City Attorney**  
**ROCKARD J. DELGADILLO CITY**  
**ATTORNEY**

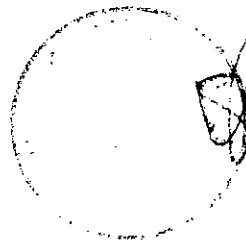
  
Name: Janet Jackson  
Title: Deputy City Attorney  
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**Appendix A**

**Articles of Incorporation**

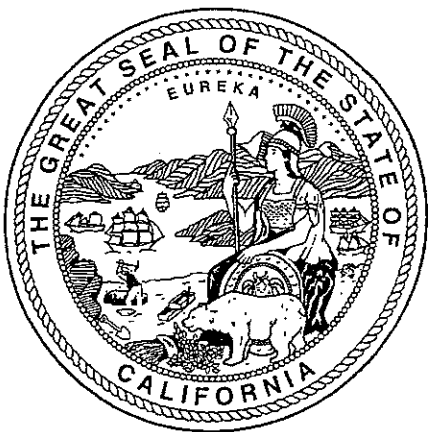
(See attached.)

**State of California**  
Secretary of State



I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

FEB 27 2008

DEBRA BOWEN  
Secretary of State

ARTICLES OF INCORPORATION  
OFLAFD Foundation, Inc.,  
A California Nonprofit Public Benefit Corporation

FEB 25 2008

1. Name. The name of this corporation (the "Corporation") is LAFD Foundation, Inc.
2. Purposes. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes. The foregoing is a statement of purposes only, and is not intended to be construed to limit in any way the powers of the Corporation under section 5140 of the California Nonprofit Public Benefit Corporation Law or other applicable law, all of which are expressly reserved. The Corporation is organized for charitable and educational purposes and for the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. The Corporation will provide products and services to the Los Angeles Fire Department, including the men and women who work for the Los Angeles Fire Department, the firehouses, stations and its other specialized units. In furtherance of these purposes, the Corporation's activities shall include the provision of financial and other support and assistance, and the solicitation, collection and raising of funds, donations, pledges, securities, obligations, gifts and property of any nature whatsoever and the donations of the same for the Los Angeles Fire Department, including the men and women who work for the Los Angeles Fire Department, the firehouses, stations and its other specialized units. The property of the Corporation is irrevocably dedicated to charitable and educational purposes and no part of the net income or assets of the Corporation shall ever inure to the benefit of any director, officer, or member thereof, or to the benefit of any private person.
3. Powers. The Corporation shall have all the powers of a natural person, subject only to any limitations imposed by these Articles of Incorporation, the bylaws of the Corporation and applicable law.
4. Directors. The number of directors of the Corporation shall be established by its bylaws.
5. Members. The Corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. The Corporation's board of directors may, in its discretion, admit individuals or other legal entities to one or more classes of non-voting membership, with the class or classes having such rights and obligations as the board of directors deems appropriate.

6. Agent for Service of Process. The name of the Corporation's initial agent for service of process is:

Corporation Service Company which will do business in California as  
CSC-Lawyers Incorporating Service

7. Tax Provisions.

(a) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, directors, officers, or other private persons, except that the Corporation shall be 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 2 hereof.

(b) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except to the extent authorized by section 501(h) of the Internal Revenue Code, or the corresponding section of any future federal tax code), and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(c) Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities 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, or the corresponding section of any future federal tax code, or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

(d) In any taxable year in which the Corporation is a private foundation as described in section 509(a) of the Internal Revenue Code, or the corresponding section of any future federal tax code:

(i) the Corporation will distribute its income for each tax year at a time and in a manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code, or the corresponding section of any future federal tax code;

(ii) the Corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code, or the corresponding section of any future federal tax code;

(iii) the Corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code, or the corresponding section of any future federal tax code;

(iv) the Corporation will not make any investments in a manner as to subject it to tax under section 4944 of the Internal Revenue Code, or the corresponding section of any future federal tax code; and



(v) the Corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

8. Dissolution. Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Date: February 25, 2008

Elizabeth C. Sluder  
Elizabeth C. Sluder, Incorporator



**Appendix B**

**Bylaws**

(See attached.)

**BYLAWS  
OF  
LAFD Foundation, Inc.,  
A California Nonprofit Public Benefit Corporation**

1. Name. The name of this corporation (the "Company") is LAFD Foundation, Inc.
2. Principal Office of the Company. The principal office for the transaction of the activities and affairs of the Company is located at 201 N. Rossmore Avenue, Los Angeles, CA 90004. The board of directors of the Company (the "Board") may change the location of the principal office. Any such change in location, if not reflected in an amendment to these Bylaws, shall be noted by the Secretary on these Bylaws opposite this Section 2. The Board may at any time establish branch or subordinate offices at any place or places where the Company is qualified to conduct its activities.
3. Purposes. The Company is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes. The foregoing is a statement of purposes only, and is not intended to be construed to limit in any way the powers of the Company under section 5140 of the California Nonprofit Public Benefit Corporation Law or other applicable law, all of which are expressly reserved. The Company is organized for charitable and educational purposes and for the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. The Company will provide products and services to the Los Angeles Fire Department, including the men and women who work for the Los Angeles Fire Department, the firehouses, stations and its other specialized units. In furtherance of these purposes, the Company's activities shall include the provision of financial and other support and assistance, and the solicitation, collection and raising of funds, donations, pledges, securities, obligations, gifts and property of any nature whatsoever and the donations of the same for the Los Angeles Fire Department, including the men and women who work for the Los Angeles Fire Department, the firehouses, stations and its other specialized units. The property of the Company is irrevocably dedicated to charitable and educational purposes and no part of the net income or assets of the Company shall ever inure to the benefit of any director, officer, or member thereof, or to the benefit of any private person.
4. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions in the California Corporations Code ("Corporations Code") shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.
5. No Members. The Company shall have no voting members within the meaning of the Corporations Code. The Company's Board may, in its discretion, admit individuals or other legal entities to one or more classes of nonvoting membership, with the class or classes having such rights and obligations as the Board deems appropriate.

6. Board of Directors.

a. General Powers. Subject to the provisions and limitations of the Corporations Code and any other applicable laws, the Company's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

b. Specific Powers. Without limiting the generality of the general powers set forth in Section 6(a) of these Bylaws, but subject to the same limitations, the Board shall have the power to:

i. appoint and remove, at the pleasure of the Board, all corporate officers, agents and employees; prescribe powers and duties for them as are consistent with law, the Articles of Incorporation and these Bylaws; and fix their compensation for serving as corporate officers, agents or employees;

ii. change the principal office or the principal business office in California from one location to another; cause the Company to be qualified to conduct its activities in any other state, territory, dependency or country; and conduct its activities in or outside California;

iii. borrow money and incur indebtedness on the Company's behalf and cause to be executed and delivered for the Company's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of indebtedness and securities; and

iv. enter into contracts and take any other action that serves to bind the Company.

c. Number of Directors. The Board shall consist of at least three (3) but no more than fifteen (15) directors unless changed by amendment to these Bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board.

d. Restriction on Interested Persons as Directors. No more than forty nine percent (49%) of the persons serving on the Board may be interested persons. For the purposes of this Section 6(d), an "interested person" is (i) any person compensated by the Company for services rendered to the Company within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, and (ii) 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. However, any violation of this Section 6(d) shall not affect the validity or enforceability of transactions entered into by the Company.

e. Vacancies on Board of Directors. A vacancy or vacancies on the Board shall occur in the event of (i) the death, removal or resignation of any director; (ii) the declaration by resolution of the Board of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under the California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; or (iii) an increase in the authorized number of directors.

f. Resignation of Directors. Except as provided below, any director may resign by giving written notice to the Board or to an executive officer of the Company. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the California Attorney General, no director may resign if the Company would as a result be left without a duly elected director.

g. Vacancies Filled by Board. Vacancies on the Board may be filled by approval of the Board or, if the number of directors then in office is less than a quorum, by (i) the unanimous written consent of the directors then in office, (ii) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code Section 5211, or (iii) a sole remaining director.

h. No Vacancy on Reduction of Number of Directors. Any reduction of the authorized number of directors shall not result in any director being removed before the death or resignation of such director.

i. Place of Meetings of Board of Directors. Meetings of the Board shall be held at any place within or outside California that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Company.

j. Meetings by Telephone or Other Telecommunications Equipment. Any meeting of the Board may be held by conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference telephone, electronic video screen communication or other communications equipment constitutes presence in person at the meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) shall constitute presence in person at the meeting if all of the following conditions are satisfied:

- i. each director participating in the meeting can communicate concurrently with all other members;
- ii. each director is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the Company; and
- iii. the Board has adopted and implemented a means of verifying both of the following:
  - (1) a person participating in the meeting is a director or other person entitled to participate in the meeting; and
  - (2) all actions of or votes by the Board are taken or cast only by the directors and not by persons who are not directors.

k. Meetings; Notice.

i. An annual meeting of the Board shall be at such time and place as the chairperson of the Board, if any, the president, the secretary or any two (2) directors shall specify, for purposes of organization, election of officers and transaction of other business. Special meetings of the Board for any purpose may be called at any time by the chairperson of the Board, if any, the president, the secretary or any two (2) directors.

ii. Notice of the time and place of meetings of the Board shall be given to each director by (i) personal delivery of written notice; (ii) first-class mail (or air mail in the case of international mail), postage prepaid; (iii) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (iv) facsimile; (v) electronic mail; or (vi) other generally accepted electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the Company's records. Notices sent by first-class mail (or air mail in the case of international mail) shall be deposited in the United States mail at least four (4) days before the date set for the meeting. Notices given by personal delivery, telephone, electronic mail or other electronic means shall be delivered, telephoned or sent at least forty-eight (48) hours before the date set for the meeting. The notice shall state the time and the place, if the place is other than the Company's principal office.

iii. No meeting of the Board shall occur on any day or time that for any director entitled to attend the meeting is a day or time on or at which such director would be precluded by religious principle from attending the meeting, unless such director shall otherwise provide written consent prior to the meeting.

l. Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting, or to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to such director. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

m. Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of any business. Every action taken or decision made by a majority of the directors present at a duly held meeting of the Board at which a quorum is present shall be an act of the Board, subject to any more stringent provisions of the Corporations Code, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (ii) approval of certain transactions between corporations having common directorships, (iii) creation of and appointments to committees of the Board, and (iv) indemnification of directors. A meeting of the Board at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors from the meeting if any action or decision made is approved by at least a majority of the required quorum for the meeting or such greater number as is required by the Corporations Code.

n. Adjournment. A majority of the directors present at a meeting of the Board, whether or not a quorum is present, may adjourn the meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than forty-eight (48) hours. If the original meeting is adjourned for more than forty-eight (48) hours, notice of an adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

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

p. Creation and Powers of Committees of the Board of Directors. The Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any such committee who may replace any absent member at any meeting. Any such committee shall have the authority of the Board, to the extent provided in the Board resolution creating the committee, except that no committee of the Board may:

- i. fill vacancies on the Board or any committee of the Board;
- ii. amend or repeal these Bylaws or adopt new Bylaws for the Company;
- iii. approve any contract or transaction to which the Company is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Corporations Code Section 5233(d)(3);
- iv. amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable; or
- v. create any other committees of the Board or appoint the members of committees of the Board.

q. Meetings and Action of Committees of the Board of Directors. Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of these Bylaws concerning meetings and other actions by the Board, except that the calling of and time for meetings of such committees may be set either by resolution of the Board or, if none, by resolution of the committee. Minutes of each meeting of each committee shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any

committee so long as the rules are consistent with these Bylaws. If the Board has not adopted rules for the governance of any committee, the committee may do so.

r. Compensation. No director shall receive a salary or other compensation for fulfilling the duties of director. This paragraph shall not affect a director's ability to receive a reasonable salary or other compensation for any other position or service rendered, including, but not limited to, the role of officer of the Company.

## 7. Officers.

a. Offices Held. The officers of this Company shall be a president, a secretary and a chief financial officer. The Company, at the discretion of the Board, may also have a chairman of the Board, one or more vice presidents, one or more assistant secretaries, a treasurer and one or more assistant treasurers, and such other officers as may be appointed under Section 7(b) of these Bylaws. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as the president or the chairman of the Board.

b. Election of Officers. The officers of the Company, except any appointed under Section 7(c) of these Bylaws, shall be appointed annually by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract with the Company.

c. Appointment of Other Officers. The Board may appoint and authorize the chairman of the Board, the president or another officer to appoint any other officers that the Company may require. Each officer so appointed shall have the title and authority granted by the Board, shall be appointed annually by the appointing officer, shall serve at the pleasure of the Board, and shall perform the duties specified in these Bylaws or established by the Board.

d. Resignation of Officers. An officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights of the Company under any contract to which the officer is a party.

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

## f. Responsibilities of Officers.

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



ii. President. Subject to such supervisory powers as the Board may give to the chairman of the Board, if any, and subject to the control of the Board, the president, if any, shall be the manager and chief executive officer of the Company and shall supervise, direct and control the Company's activities, affairs and officers. In the absence of the chairman of the Board, or if there be none, the president shall preside at all meetings of the Board. The president shall have such other powers and duties as the Board or these Bylaws may specify.

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

iv. Secretary. The secretary shall keep or cause to be kept, at the Company's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of each meeting shall include the time and place at which the meeting was held; whether the meeting was annual, general or special, and, if special, how authorized; the notice given; and the names of persons present at Board and committee meetings. The secretary shall keep or cause to be kept, at the Company's principal office in California, a copy of the articles of incorporation and these Bylaws, as amended to date. The secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board that these Bylaws require to be given. The secretary shall have such other powers and perform such other duties as the Board or these Bylaws may specify.

v. Chief Financial Officer. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Company's properties and transactions. The chief financial officer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these Bylaws or by the Board. The chief financial officer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Company with such depositories as the Board may designate; (ii) disburse the Company's funds as the Board may order; (iii) render to the president, chairman of the Board, if any, and the Board, when requested, an account of all transactions and of the financial condition of the Company; and (iv) have such other powers and perform such other duties as the Board or these Bylaws may specify. If required by the Board, the chief financial officer shall, at the expense of the Company, give the Company 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 Company of all of its books, papers, money and other property of every kind in the possession or under the control of the chief financial officer on his death, resignation, retirement or removal from office.

8. Conflict of Interest Policy. The Company, and each of the Company's directors, principal officers and members of committees with governing board delegated powers, shall abide by the Conflict of Interest Policy attached hereto as Appendix A.

9. Indemnification.

a. To the fullest extent permitted by law, the Company shall indemnify its directors and officers, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by any of them in connection with any "proceeding", as such term is used in Corporations Code Section 5238, including an action by or in the right of the Company, by reason of the fact that the person is or was a person described in that Section. The term "expenses" as used in this Section 9(a) shall have the same meaning as specified in Corporations Code Section 5238(a). Upon written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. Expenses incurred by a person seeking indemnification under this Section 9(a) in defending any proceeding covered by this Section 9(a) shall be advanced by the Company before final disposition of the proceeding, on receipt by the Company of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Company for those expenses.

b. To the fullest extent permitted by law, the Company may indemnify its employees and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by any of them in connection with any "proceeding", as such term is used in Corporations Code Section 5238, including an action by or in the right of the Company, by reason of the fact that the person is or was a person described in that Section. The term "expenses" as used in this Section 9(b) shall have the same meaning as specified in Corporations Code Section 5238(a). Upon written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board may promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board may authorize indemnification. Expenses incurred by a person seeking indemnification under this Section 9(b) in defending any proceeding covered by this Section 9(b) may be advanced by the Company before final disposition of the proceeding, on receipt by the Company of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Company for those expenses.

10. Insurance. The Company shall have the right, and shall use commercially reasonable efforts, to purchase and maintain insurance to the full extent permitted by law, and in such amounts as the Board deems reasonable under the circumstances, on behalf of its officers, directors, employees and other agents, to cover any liability asserted against or incurred by any officer, director, employee or agent in such capacity or arising from the officer's, director's, employee's or agent's status as such.

11. Limitation of Liability. The liability of the directors of the Company for monetary and other damages shall be eliminated to the fullest extent permissible under the California Nonprofit Public Benefit Corporation Law.

12. Maintenance and Inspection of Corporate Records. The Company shall keep adequate and correct books and records of account and written minutes of the proceedings of its Board and committees of the Board. The Company shall keep at its principal California office the original or a copy of the articles of incorporation and Bylaws, as amended to the current date. Every director shall have the absolute right at any reasonable time to inspect the Company's books, records, documents of every kind, physical properties and the records of each subsidiary of the Company. The inspection may be made in person or by the director's authorized agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

13. Required Reports.

a. The chief financial officer shall cause an annual report to be sent to the Board within one hundred twenty (120) days after the end of the Company's fiscal year. The annual report shall contain the following information in appropriate detail:

- i. the assets and liabilities, including trust funds, of the Company as of the end of the fiscal year;
- ii. the principal changes in assets and liabilities, including trust funds, of the Company, during the fiscal year;
- iii. the revenue or receipts of the Company, both unrestricted and restricted to particular purposes, during the fiscal year; and
- iv. the expenses and disbursements of the Company for both general and restricted purposes, during the fiscal year.

b. The report required by Section 12(a) herein shall be accompanied by any report of independent accountants or, if there is no such report, a certificate of an authorized officer of the Company certifying that such statements were prepared without audit from the Company's books and records.

c. As part of the annual report, or as a separate document if no annual report is issued, the Company shall, within one hundred twenty (120) days after the end of the Company's fiscal year, annually prepare and furnish to each director a statement of any transaction occurring during the fiscal year (i) in which the Company, its parent or any of its subsidiaries was a party, (ii) in which an officer or director of the Company had a direct or indirect material financial interest, and (iii) that involved, or was one (1) of several transactions with the same officer or director of the Company involving in the aggregate, more than \$10,000. The statement shall include a brief description of the transaction or transactions, the names of the officers or directors of the Company involved (stating their relationship to the Company, the nature of their interest in the transaction and, where practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated). No person shall be considered as having a material financial interest solely by reason of a common directorship. As part of the annual report, or as a separate document if no annual report is issued, the Company shall, within one hundred twenty (120) days after the end of the Company's fiscal year, annually prepare and furnish to each director a statement of any indemnifications or advances for potentially indemnified expenses aggregating

more than \$10,000 paid during the fiscal year to any officer or director of the Company under Section 9 of these Bylaws.

d. Independent Audit of Annual Financial Statements. In compliance with California Government Code Section 12586(e)(1), a charitable organization with gross revenues of \$2,000,000 or more (excluding grants received from governmental entities, if an accounting is available of how Company used the grant funds) must prepare annual financial statements audited by an independent CPA. As such, if the Company's gross revenues reach \$2,000,000 or more, the Board (or the audit committee if there is one, or which shall have been formed as required by applicable law, at the direction of the Board) shall perform all tasks necessary to comply with California Government Code Section 12586(e)(1), including, but not limited to, the following: (a) prepare annual financial statements audited by an independent CPA, (b) such financial statements must use generally accepted accounting practices and the independent CPA must follow generally accepted auditing standards, (c) if the accounting firm and CPA performing the audit also provide non-audit services to the non-profit, the accounting firm and CPA must follow the independence standards in the Yellow Book issued by the U.S. Comptroller General, and (d) the audited financial statements must be made available for inspection by the Attorney General and the public no later than nine (9) months after the close of the fiscal year covered by the financial statement.

14. Advisory Board. The Board may, in its discretion, establish advisory boards for the Company, with such membership as the Board may from time to time determine to be appropriate. The Board may, in its discretion, and from time to time appoint and remove members of the advisory board. No member of any such advisory board shall, solely by reason of such membership, be a director of the Company, and membership in any such advisory board shall not (a) otherwise create any legal relationship between the member and the Company, (b) create any legal obligations on the part of the member toward the Company, or (c) create any legal obligations on the part of the Company to the member.

15. Fiscal Year. The fiscal year of the Company shall be the calendar year unless otherwise determined by a resolution adopted by the Board.

16. Amendments to These Bylaws. These Bylaws may be adopted, amended or repealed by the vote of the Board pursuant to the provisions of Section 6(m) herein.

CERTIFICATE

We, Marc Cohen and Jay Grodin, Chairman and Secretary, respectively, of LAFD Foundation, Inc., a California Nonprofit Public Benefit Corporation (the "Company"), DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Company's Bylaws as adopted by the Board of Directors of the Company as of June 12, 2008.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the corporate seal of the Company as of the 12th day of June, 2008.



Marc Cohen, Chairman

Jay Grodin, Secretary

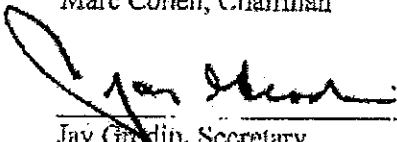
[Corporate Seal]

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\_\_\_\_\_  
Marc Cohen, Chairman

  
\_\_\_\_\_  
Jay Grodin, Secretary

[Corporate Seal]

## **Appendix A**

### **Conflict of Interest Policy of LAFD Foundation, Inc.. (the "Company")**

#### **Article I.**

##### **Purpose**

The purpose of the conflict of interest policy is to protect the Company's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Company or might result in a possible excess benefit transaction.<sup>1</sup> This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### **Article II.**

##### **Definitions**

#### **1. Interested Person**

Any director, the president, the secretary, the treasurer, any vice president, or any member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Company has a transaction or arrangement,
- b. A compensation arrangement with the Company or with any entity or individual with which the Company 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 Company is negotiating a transaction or arrangement.

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

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<sup>1</sup> An "excess benefit transaction" is a transaction in which an economic benefit is provided by an applicable tax-exempt organization, directly or indirectly, to or for the use of a disqualified person if the value of the economic benefit provided by the organization exceeds the value of the consideration (including the performance of services) received by the organization for providing such benefit.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **Article III.** **Procedures**

#### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person or potential interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person or potential interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### **3. Procedures for Addressing the Conflict of Interest**

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/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 governing 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 governing board or committee shall determine whether the Company can 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 governing board or committee shall determine by a majority vote of the non-interested directors whether the transaction or arrangement is in the Company's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflict of Interest Policy**

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the



basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member 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 governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

2. 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**

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

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

3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Company, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Article VI.** **Periodic Reviews**

To ensure the Company 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Company'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.

**Article VII.**  
**Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VI, or determining whether a conflict of interest exists as provided for in Article III, the Company may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.