

Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

2008

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2008, or tax year beginning

, and ending

G Check all that apply: ☐ Initial return ☐ Final return ☐ Amended return ☒ Address change ☐ Name changeUse the IRS  
label.Otherwise,  
print

or type.

See Specific  
Instructions.

Name of foundation

LEICHTAG FAMILY FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address)

5900 LA PLACE COURT, STE 100

Room/suite

City or town, state, and ZIP code

CARLSBAD, CA 92008

A Employer identification number

33-0466189

B Telephone number

760-931-9700

C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐H Check type of organization: ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year  
(from Part II, col. (c), line 16)

\$ 29,637,638. (Part I, column (d) must be on cash basis.)

J Accounting method: ☐ Cash ☒ Accrual  
☐ Other (specify)

## Part I

## Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received	30,000,000.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	384,108.	384,108.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	1,028,827.			
b Gross sales price for all assets on line 6a	14,835,576.			
7 Capital gain net income (from Part IV, line 2)		1,028,827.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total. Add lines 1 through 11	31,412,935.	1,412,935.		
13 Compensation of officers, directors, trustees, etc.	71,999.	0.		52,000.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees	STMT 2	17,500.	5,250.	5,250.
c Other professional fees				
17 Interest				
18 Taxes	STMT 3	13,438.	13,438.	0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses	STMT 4	109,032.	0.	92,147.
24 Total operating and administrative expenses. Add lines 13 through 23	211,969.	18,688.		149,397.
25 Contributions, gifts, grants paid	1,827,313.			1,827,313.
26 Total expenses and disbursements. Add lines 24 and 25	2,039,282.	18,688.		1,976,710.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	29,373,653.			
b Net investment income (if negative, enter -0-)		1,394,247.		
c Adjusted net income (if negative, enter -0-)			N/A	

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form 990-PF (2008)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	167,300.	73,604.	73,604.
	2 Savings and temporary cash investments			
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	0.	12,869.	12,869.
	10a Investments - U.S. and state government obligations	STMT 6 2,180,461.	2,963,633.	2,963,633.
	b Investments - corporate stock	STMT 7 5,373,138.	0.	0.
	c Investments - corporate bonds	STMT 8 2,321,678.	4,335,315.	4,335,315.
Liabilities	11 Investments - land, buildings, and equipment: basis			
	Less: accumulated depreciation			
	12 Investments - mortgage loans			
	13 Investments - other	STMT 9 0.	22,252,217.	22,252,217.
	14 Land, buildings, and equipment: basis			
	Less: accumulated depreciation			
	15 Other assets (describe)			
	16 Total assets (to be completed by all filers)	10,042,577.	29,637,638.	29,637,638.
	17 Accounts payable and accrued expenses	0.	27,789.	
	18 Grants payable		7,335,122.	
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	7,362,911.	
	24 Unrestricted	10,042,577.	22,274,727.	
	25 Temporarily restricted			
	26 Permanently restricted			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances	10,042,577.	22,274,727.		
31 Total liabilities and net assets/fund balances	10,042,577.	29,637,638.		

## Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	10,042,577.
2 Enter amount from Part I, line 27a	2	29,373,653.
3 Other increases not included in line 2 (itemize) CASH TO ACCRUAL ADJUSTMENT	3	986,309.
4 Add lines 1, 2, and 3	4	40,402,539.
5 Decreases not included in line 2 (itemize) SEE STATEMENT 5	5	18,127,812.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	22,274,727.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a SALE OF SECURITIES</b>		<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
<b>b CAPITAL GAINS DIVIDENDS</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
<b>a</b> 14,380,782.		13,806,749.	574,033.
<b>b</b> 454,794.			454,794.
<b>c</b>			
<b>d</b>			
<b>e</b>			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
<b>a</b>			574,033.
<b>b</b>			454,794.
<b>c</b>			
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	<b>2</b>	1,028,827.
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div> <div>If gain, also enter in Part I, line 8, column (c).</div> <div>If (loss), enter -0- in Part I, line 8</div> </div>	<b>3</b>	N/A

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

**1** Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2007	635,955.	10,836,449.	.058687
2006	645,014.	10,571,794.	.061013
2005	572,340.	10,403,319.	.055015
2004	573,999.	10,374,836.	.055326
2003	525,200.	9,853,747.	.053300

<b>2</b> Total of line 1, column (d)	<b>2</b>	.283341
<b>3</b> Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	<b>3</b>	.056668
<b>4</b> Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	<b>4</b>	19,202,953.
<b>5</b> Multiply line 4 by line 3	<b>5</b>	1,088,193.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	13,942.
<b>7</b> Add lines 5 and 6	<b>7</b>	1,102,135.
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	1,976,710.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)**

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	13,942.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	13,942.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	13,942.
6 Credits/Payments:			
a 2008 estimated tax payments and 2007 overpayment credited to 2008	6a	8,440.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	8,992.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	17,432.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	3,490.	
11 Enter the amount of line 10 to be: Credited to 2009 estimated tax <input checked="" type="checkbox"/> 3,490. Refunded <input checked="" type="checkbox"/>	11	0.	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> CA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses.	10	X

**Part VII-A** Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address <b>NA</b>				
14	The books are in care of <b>SHELDON S SCHARLIN CPA</b> Telephone no. <b>760-931-9700</b>			
	Located at <b>5900 LA PLACE COURT, SUITE 100, CARLSBAD, CA</b> ZIP+4 <b>92008</b>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/>			
	and enter the amount of tax-exempt interest received or accrued during the year <b>15</b> <b>N/A</b>			

**Part VII-B** Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? <b>N/A</b>	1b	
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years <b>NA</b>		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) <b>N/A</b>	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.) <b>N/A</b>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4b	X

**Part VII-B** Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here ☐c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If you answered "Yes" to 6b, also file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ Nob If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		71,999.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 ☐ 0



**Part X** Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	19,221,691.
b	Average of monthly cash balances	1b	260,824.
c	Fair market value of all other assets	1c	12,869.
d	Total (add lines 1a, b, and c)	1d	19,495,384.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	19,495,384.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	292,431.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	19,202,953.
6	Minimum investment return. Enter 5% of line 5	6	960,148.

**Part XI** Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	960,148.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	13,942.
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	13,942.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	946,206.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	946,206.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	946,206.

**Part XII** Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,976,710.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,976,710.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	13,942.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,962,768.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.



**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				946,206.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004				
c From 2005				
d From 2006	116,424.			
e From 2007	110,991.			
f Total of lines 3a through e	227,415.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$	1,976,710.			
a Applied to 2007, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2008 distributable amount				946,206.
e Remaining amount distributed out of corpus	1,030,504.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	1,257,919.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	1,257,919.			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006	116,424.			
d Excess from 2007	110,991.			
e Excess from 2008	1,030,504.			

**Part XIV Private Operating Foundations** (see instructions and Part VII-A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see the instructions.)**1 Information Regarding Foundation Managers:**

- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a The name, address, and telephone number of the person to whom applications should be addressed:

- b The form in which applications should be submitted and information and materials they should include:

- c Any submission deadlines:

- d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

## Part XV Supplementary Information (continued)

## 3 Grants and Contributions Paid During the Year or Approved for Future Payment

Grants and Contributions Paid During the Year		If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Recipient	Name and address (home or business)				
a Paid during the year					
SEE STATEMENT 11					
Total					1,827,313.
b Approved for future payment					
NONE					
Total					0.



**Part XVII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash .....	1a(1)	X
	(2) Other assets .....	1a(2)	X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization .....	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization .....	1b(2)	X
	(3) Rental of facilities, equipment, or other assets .....	1b(3)	X
	(4) Reimbursement arrangements .....	1b(4)	X
	(5) Loans or loan guarantees .....	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations .....	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees .....	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

**2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

**b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here  Paid Preparer's Use Only	Signature of officer or trustee		Date	Title
	Preparer's signature	Date 09/01/09	Check if self-employed <input type="checkbox"/>	Preparer's identifying number
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	LEICHTAG FAMILY FOUNDATION	33-0466189
	Number, street, and room or suite no. If a P.O. box, see instructions.	For IRS use only
	5900 LA PLACE COURT, STE 100	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	CARLSBAD, CA 92008	

Check type of return to be filed (File a separate application for each return):

☐ Form 990    ☐ Form 990-EZ    ☐ Form 990-T (sec. 401(a) or 408(a) trust)    ☐ Form 1041-A    ☐ Form 5227    ☐ Form 8870  
☐ Form 990-BL    ☒ Form 990-PF    ☐ Form 990-T (trust other than above)    ☐ Form 4720    ☐ Form 6069

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

SHELDON S SCHARLIN CPA

• The books are in the care of **5900 LA PLACE COURT, SUITE 100 - CARLSBAD, CA 92008**

Telephone No. **760-931-9700**

FAX No. \_\_\_\_\_

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2009.**

5 For calendar year **2008**, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension \_\_\_\_\_

**THE ORGANIZATION RESPECTFULLY REQUESTS ADDITIONAL TIME TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.**

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	13,942.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	17,432.
c	Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature

Title

Date

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CHARLES SCHWAB	623,129.	454,794.	168,335.
GOLDMAN SACHS	215,773.	0.	215,773.
TOTAL TO FM 990-PF, PART I, LN 4	838,902.	454,794.	384,108.

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	17,500.	5,250.		5,250.
TO FORM 990-PF, PG 1, LN 16B	17,500.	5,250.		5,250.

FORM 990-PF TAXES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES	13,438.	13,438.		0.
TO FORM 990-PF, PG 1, LN 18	13,438.	13,438.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADMINISTRATIVE FEES	85,291.	0.		85,291.
STATIONARY/PRINTING	1,401.	0.		701.
DUES AND SEMINARS	12,310.	0.		6,155.
INSURANCE	7,000.	0.		0.
OTHER	3,030.	0.		0.
TO FORM 990-PF, PG 1, LN 23	109,032.	0.		92,147.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	5
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DESCRIPTION	AMOUNT
UNREALIZED LOSSES ON INVESTMENTS	10,867,690.
PY RESTATEMENT NET ASSETS-GAAP ADJ.	7,260,122.
TOTAL TO FORM 990-PF, PART III, LINE 5	18,127,812.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	6
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT AGENCY OBLIGATIONS	X			
GOLDMAN SACHS & CO			2,963,633.	2,963,633.
TOTAL U.S. GOVERNMENT OBLIGATIONS			2,963,633.	2,963,633.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			2,963,633.	2,963,633.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK PORTFOLIO HOLDINGS, GOLDMAN SACHS & CO	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10B	0.	0.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS PORTFOLIO HOLDINGS, GOLDMAN SACHS & CO	0.	0.
PIMCO MIXED BOND FUNDS	4,335,315.	4,335,315.
TOTAL TO FORM 990-PF, PART II, LINE 10C	4,335,315.	4,335,315.



FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ALTERNATIVE INVESTMENT	FMV	2,035,524.	2,035,524.
EQUITY SECURITIES	FMV	20,216,693.	20,216,693.
TOTAL TO FORM 990-PF, PART II, LINE 13		22,252,217.	22,252,217.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	10
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
RABBI LENORE BOHM C/O 5900 LA PLACE COURT, STE 100 CARLSBAD, CA 92008	VICE PRESIDENT 2.00	8,000.	0.	0.
ROBERT BRUNST, M.D. C/O 5900 LA PLACE COURT, STE 100 CARLSBAD, CA 92008	VICE CHAIRMAN 2.00	8,000.	0.	0.
JAMES S. FARLEY C/O 5900 LA PLACE COURT, STE 100 CARLSBAD, CA 92008	PRESIDENT 40.00	39,999.	0.	0.
BERNARD REITER C/O 5900 LA PLACE COURT, STE 100 CARLSBAD, CA 92008	CHAIRMAN 2.00	8,000.	0.	0.
SHELDON S. SCHARLIN C/O 5900 LA PLACE COURT, STE 100 CARLSBAD, CA 92008	CFO 2.00	8,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		71,999.	0.	0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 11

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
JEWISH COMMUNITY FOUNDATION, 4950 MURPHY CANYON ROAD, SAN DIEGO, CA 92123	NONE  CHARITABLE	PUBLIC CHARITY	790,070.
UNIVERSITY OF CALIFORNIA FOUNDATION 9500 GILMAN DRIVE, LA JOLLA, CA 92093	NONE  CHARITABLE	PUBLIC CHARITY	150,000.
CARLSBAD EDUCATION FOUNDATION, PO BOX 205, CARLSBAD, CA 92018	NONE  CHARITABLE	PUBLIC CHARITY	100,000.
THE SAN DIEGO FOUNDATION, 2508 HISTORIC DECATUR RD., STE. 200, SAN DIEGO, C	NONE  CHARITABLE	PUBLIC CHARITY	2,313.
SAN MARCOS UNIFIED SCHOOL DISTRICT/PACE PROMISE 255 PICO AVENUE, SUITE 250, SAN MARCOS, CA 92069	NONE  CHARITABLE	PUBLIC CHARITY	150,000.
SEACREST VILLAGE, 211 SAXONY RD, ENCINITAS, CA 92024	NONE  CHARITABLE	PUBLIC CHARITY	150,000.

HILLEL OF SAN DIEGO, 5717 LINDO PASEO, SAN DIEGO, CA 92115	NONE CHARITABLE	PUBLIC CHARITY	89,930.
LAWERENCE FAMILY JCC, 4126 EXECUTIVE DRIVE, LA JOLLA, CA 92037	NONE CHARITABLE	PUBLIC CHARITY	20,000.
RADY CHILDRENS HOSPITAL, 3020 CHILDRENS WAY, SAN DIEGO, CA 92123	NONE CHARITABLE	PUBLIC CHARITY	75,000.
SECOND CHANCE, 6145 IMPERIAL AVENUE, SAN DIEGO, CA 92114	NONE CHARITABLE	PUBLIC CHARITY	50,000.
QUAIL BOTANICAL GARDENS, PO BOX 230005, ENCINITAS, CA 92024	NONE CHARITABLE	PUBLIC CHARITY	100,000.
INTERFAITH COMMUNITY SERVICES, 550 WEST WASHINGTON AVENUE, SUITE B, ESCONDID	NONE CHARITABLE	PUBLIC CHARITY	150,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

1,827,313.

**JOINT ACTION BY UNANIMOUS WRITTEN CONSENT  
OF THE BOARD OF DIRECTORS**

**OF**

**THE LEICHTAG FAMILY FOUNDATION  
A California Nonprofit Public Benefit Corporation**

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The undersigned, being all of the directors of The Leichtag Family Foundation, a California nonprofit public benefit corporation (the "Corporation"), acting pursuant to authority vested by Section 5211(b) of the California Nonprofit Corporation Law and the Bylaws of the Corporation, hereby adopt the following resolutions on behalf of the Corporation and consent to the actions authorized thereby:

**Amended and Restated Bylaws**

RESOLVED, the Corporation shall adopt the Amended and Restated Bylaws for the Corporation, in the form reviewed, considered and approved by the undersigned attached as Exhibit A hereto.

**Further Action**

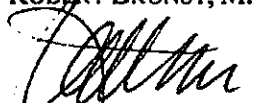
RESOLVED, FURTHER, that actions heretofore taken by the officers and directors in furtherance of the transactions contemplated by the foregoing resolution are ratified, approved and confirmed, and that the officers of the Corporation hereby are authorized and directed to take all additional actions which they deem necessary or appropriate to carry out the intent and purpose of the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned, being all the directors of the Corporation, have executed this Joint Action by Unanimous Written Consent of the Board of Directors on this 9<sup>th</sup> day of April, 2008.

**DIRECTORS:**

  
RABBI LENORE BOHM

  
ROBERT BRUNST, M.D.

  
JAMES FARLEY, ESQ.

**DIRECTORS, cont'd:**

  
BERNARD REITER, ESQ.

  
SHELDON SCHARLIN, C.P.A.

**EXHIBIT A**

**Amended and Restated Bylaws**

[see attached]

COPY

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**AMENDED AND RESTATED BYLAWS**  
**OF**  
**THE LEICHTAG FAMILY FOUNDATION**  
**A California Nonprofit Public Benefit Corporation**

Adopted on April 9, 2008

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**AMENDED AND RESTATED BYLAWS**  
**OF**  
**THE LEICHTAG FAMILY FOUNDATION**  
**A California Nonprofit Public Benefit Corporation**

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**ARTICLE I**

**NAME**

The name of this corporation is THE LEICHTAG FAMILY FOUNDATION, a California nonprofit public benefit corporation.

**ARTICLE II**

**OFFICES**

**Section 1 Principal Office.** The principal office for the transaction of the activities and affairs of the corporation ("principal executive office") is located at 5900 La Place Ct., Ste 100, Carlsbad, California 92008. The board of directors may from time to time change the principal executive office from one location to another. Any change of this location shall be noted by the secretary in these Bylaws opposite this Section, or this Section may be amended to state the new location.

**Section 2 Other Offices.** The board of directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

**ARTICLE III**

**OBJECTIVES AND PURPOSES**

The purposes for which this corporation is formed are as follows:

**Section 1 General Purposes.** This corporation is organized exclusively for charitable and public purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue Law (the "Code"). Notwithstanding any other provision of these Bylaws, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and 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 Code, or (ii) by a corporation defined in Section 170(c)(2) of the Code.

**Section 2 Specific Purposes.** Within the context of the general purposes stated above, this corporation has been formed for the following specific purposes:

(a) To receive, acquire, hold, manage, administer and expend property and funds in furtherance of the corporation's charitable, educational and public purposes, as the board of directors shall from time to time determine, and to assist and support, within the discretion of the board of directors, institutions, organizations, associations, trusts, governmental entities and undertakings which are described in Section 501(c)(3) of the Code and exempt from taxation under Section 501(a) of the Code. In furthering these purposes, the board of directors may adopt a policy statement (the "Policy Statement") to guide its efforts. The Policy Statement shall set forth the organizations described in Section 501(c)(3) of the Code to which the corporation shall provide assistance and support in the manner and amount as determined by the board of directors.

(b) To act as trustee under charitable and public benefit trusts, receiving, holding, managing, administering and expending property and funds in accordance with the respective trusts upon which the property and funds are acquired and held.

(c) To receive, hold, manage, administer and expend property and funds upon the general and charitable trust that the property and funds, either as to principal or income or both, shall be applied to the assistance and support of such charitable or public institutions or objects, at such times, and to such extent, as the corporation may in its judgment deem most conducive to the public welfare.

(d) To take property and funds by will, gift or otherwise, with or without specification of any charitable or public purpose; but if no charitable or educational purpose is specified, the property or funds so received shall, nevertheless, be held upon the trust that they shall be used for charitable or educational purposes.

(e) To hold, in its own name and right, real and personal property of every nature and description without limitation as to extent, character or amount, and with all the powers of control, management, investment, change and disposal incident to the absolute ownership of property or funds by a private person, subject only to the terms of a particular trust and to the general trust that all its properties and funds shall be held for charitable and public purposes.

(f) To establish one or more common trust funds for the purpose of furnishing investments to this corporation or to any beneficial, charitable or public institution affiliated with it, or to any organization, society or corporation holding funds or property for the benefit of any of the foregoing, or holding funds for the purpose of supporting any building or buildings used by or owned by any of the foregoing, whether holding such funds or property as fiduciary or otherwise.

(g) To purchase or otherwise acquire, own, hold, sell, assign, transfer or otherwise dispose of, mortgage, pledge, or otherwise hypothecate or encumber, and to deal in and with shares, notes, bonds, debentures, or other securities or evidences of indebtedness of any

person, firm, corporation, or association and, while the owner or holder thereof, to execute all rights, powers, and privileges of ownership.

(h) To borrow money, either upon or without security, and to issue promissory notes or other evidences of indebtedness and pledges, mortgages or other instruments of hypothecation.

(i) To appoint and pay officers and agents to conduct and administer the affairs of this corporation.

(j) To adopt bylaws prescribing the duties of the officers and agents of this corporation, the detail of its organization, the time and manner of its meetings, and any and all details incident to its organization and the efficient conduct and management of its affairs.

(k) To do any and all things which a natural person may do that are necessary or desirable for the purposes for which the corporation is organized, and to carry into effect any one or more of the aforementioned objects and purposes set forth and to that end to do any one or more of the acts and things aforesaid, and likewise any and all acts or things necessary or incidental thereto; and, in conducting or carrying on its activities, and for the purpose of promoting or furthering any one or more of said objects or purposes, to exercise any or all of the powers set forth in this ARTICLE III, and any other or additional power now or hereafter authorized by law either alone or in conjunction with others as principal, agent or otherwise.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers in each clause shall, except where otherwise expressed, be in no way limited or restricted by reference to or inference from the terms or provisions of any other clause but shall be regarded as independent purposes and powers.

**Section 3 Limitations.** So long as the corporation constitutes a Private Foundation within the meaning of Section 508(e) of the Code:

(a) The corporation will distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code.

(b) The corporation will not engage in any act of self-dealing as defined in Section 4941(d) of the Code.

(c) The corporation will not retain any excess business holdings as defined in Section 4943(c) of the Code.

(d) The corporation will not make any investments in such a manner as to subject it to tax under Section 4944 of the Code.

(e) The corporation will not make any taxable expenditures as defined in Section 4945(d) of the Code.

## **ARTICLE IV**

### **NONPARTISAN ACTIVITIES**

This corporation has been formed under the California Nonprofit Corporation Law for the purposes described in ARTICLE III hereof, and it shall be nonprofit and nonpartisan. No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Code, and this corporation shall not participate in, or intervene in (including publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. This corporation shall not provide support or monetary contributions to political candidates or political propositions or initiatives.

## **ARTICLE V**

### **DEDICATION OF ASSETS**

All corporate property is irrevocably dedicated to the purposes described in ARTICLE III hereof. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, officers, trustees, private shareholders or members, or to individuals. On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization (or organizations) organized and operated exclusively for charitable, religious, scientific, testing for public safety, literary, or educational purposes, fostering national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, which has established its tax-exempt status under (i) Section 501(c)(3) of the Code, and (ii) Section 23701d of the California Revenue and Taxation Code, as amended.

## **ARTICLE VI**

### **CORPORATION WITHOUT MEMBERS**

**Section 1 Statutory Members.** Until such time as these Bylaws are amended to provide for membership, this corporation shall have no members within the meaning of Section 5056 of the California Corporations Code. Any action for which there is no specific provision in the Nonprofit Public Benefit Corporation Law applicable to a corporation which has no members and which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the board of directors. All rights which would otherwise vest in the members shall vest in the directors.

**Section 2 Nonstatutory Members.** Upon designation of criteria for advisory membership by the board of directors, the corporation may have advisory members who are not members within the meaning of Section 5056 of the California Corporations Code.

## **ARTICLE VII**

### **DIRECTORS**

**Section 1 General Powers.** Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation or these Bylaws, the business, activities and affairs of the corporation shall be conducted and managed, and all corporate powers shall be exercised, by or under the direction of the board of directors. The board of directors may delegate the management of the activities of the corporation to any person or persons, to a management company, or to committees pursuant to ARTICLE IX hereof, 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 of directors, and shall at all times be in compliance with the corporation's Articles of Incorporation and these Bylaws.

**Section 2 Specific Powers.** Without prejudice to such general powers, but subject to the same limitations described in Section 1 of this ARTICLE VII, it is hereby expressly declared that the board of directors shall have the following powers in addition to the other powers enumerated in these Bylaws:

(a) To select and remove any and all officers, agents and employees of the corporation; prescribe any powers and duties for them that are consistent with law, the Articles of Incorporation and these Bylaws; and fix their compensation;

(b) To change the principal executive office or the principal business office in the State of California from one location to another, cause the corporation to be qualified to do business in any other State, territory, dependency or country, and conduct business within or outside the State of California;

(c) To conduct, manage, and control the affairs and activities of the corporation and to make such rules and regulations therefor consistent with the law, the Articles of Incorporation and these Bylaws;

(d) To adopt, make and use a corporate seal and to alter the form of such seal from time to time as the directors may deem best;

(e) To borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities; and

(f) To make grants and contributions in furtherance of the corporation's purposes and otherwise render financial assistance to any organization organized and operated exclusively for charitable, scientific or education purposes within the meaning of Section 501(c)(3) of the Code; provided, however, that the directors shall:

(i) review all requests for funds from other organizations and require that such requests specify the use to which the funds will be put, and, if the board of directors

approves such request, the board of directors shall authorize payment of such funds to the approved grantee;

(ii) require that the grantees furnish a periodic accounting to show that the funds were expended for the purposes which were approved by the board of directors; and

(iii) retain, to the extent practicable, the ability to withdraw or revoke an approved grant or contribution, if necessary, to insure that such funds will be used in furtherance of the corporation's charitable purposes.

**Section 3 Number of Directors.** The board of directors shall consist of five (5) directors until changed by a duly adopted amendment to these Bylaws. The exact number of authorized directors shall be fixed from time to time by the board of directors pursuant to a resolution adopted by a majority of the entire board of directors or by unanimous written consent by all the directors.

**Section 4 Qualifications of Directors.** Each Director shall be a natural person at least 21 years of age. It is the intent of the corporation that the composition of the board of directors shall represent a diversity of technical skills to enable the board of directors to make informed, well-balanced decisions on the economic viability and social impact of its activities.

**Section 5 Restriction on Interested Directors.** No more than forty-nine percent (49%) of the persons serving on the board of directors at any time may be interested persons. An interested person is defined as: (i) any person being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time officer, employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as a director; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any such person described in the preceding clause (i). Reimbursement of expenses of a director incurred on behalf of the corporation and authorized by the board of directors (in advance, if possible), shall not be considered compensation as the term is used in this Section 5. Any violation of the provisions of this Section 5 shall not affect the validity or enforceability of any transaction entered into by the corporation.

**Section 6 Designation of Directors and Term of Office.** The members of the board of directors shall be appointed by a majority vote of the board of directors at the annual meeting, with the term of approximately one-half (1/2) of the Directors expiring at each annual meeting. Each director shall hold office for two- (2) year terms and until a successor director has been designated and qualified. If any annual meeting is not held or the directors are not appointed at the annual meeting, the directors may be appointed at any meeting of the board of directors. Directors shall be eligible for redesignation without limitation on the number of terms they may serve, and may serve consecutive terms.

**Section 7 Vacancies.** Any vacancy on the board of directors caused by death, resignation, removal, an increase in the authorized number of directors, or any other cause, shall be filled by designation as provided in Section 6 of this ARTICLE VII. Provided the board of directors has a minimum of three current (3) members, the board of directors is not required to

fill a vacancy, but in the event they elect not to do so, the board of directors shall amend the Bylaws to reflect the number of Directors currently serving. Each director so designated shall continue in office for the unexpired term of the director whom he or she succeeded and until a successor has been designated and qualified. No reduction of the authorized number of directors shall have the effect of removing any director before the director's term of office expires.

**Section 8 Removal.** The board of directors may remove and declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached a duty of the corporation as provided in the California Nonprofit Corporation Law. In addition, a majority vote of the board of directors may, at a regular or special meeting of the board of directors, remove any director from office with or without cause, and a majority vote of the board of directors may declare vacant the office of a director who misses three (3) consecutive meetings of the board of directors or a total of five (5) meetings of the board of directors during any one calendar year.

**Section 9 Resignations.** Except as provided in this Section and subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any director may resign, which resignation shall be effective upon giving written notice to the president, the secretary, or the board of directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, a successor may be designated, selected, or elected (as the case may be) before such time, to take office as of the date when the resignation becomes effective. No director may resign when the corporation would then be left without a duly elected director in charge of its affairs.

#### **Section 10 Meetings.**

(a) **Place of Meeting.** Meetings of the board of directors shall be held at any place within or without the State of California which has been designated from time to time by the board of directors. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Notwithstanding the above provision of this Section 10, a meeting of the board of directors may be held at any location consented to in writing by all the board or directors members, either before or after the meeting.

(b) **Annual Meeting.** The board of directors shall hold a regular meeting in the third calendar quarter of each year, for the purpose of organization, selection of directors and officers, and the transaction of other business. Notice of the annual meeting shall be given in the same manner set forth in subsection (d).

(c) **Regular Meetings.** The board of directors shall hold additional regular meetings for the purpose of organization, selection of directors and officers, and the transaction of other business, on such date and at such time as the president shall determine in consultation with the board of directors.

(d) **Special Meetings.** Special meetings of the board of directors for any purpose or purposes may be called at any time by the president, or any two (2) directors. Special meetings of the board of directors shall be convened within ten (10) days' notice given

personally or by telephone, telegraph, facsimile, telex, electronic mail ("email") or other similar means of communication, to all directors. The notice must clearly specify the business desired to be considered or transacted at such special meeting. Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of the corporation or as may have been given to the corporation by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. Written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is actually transmitted to the recipient in accordance with the provisions of these Bylaws. Oral Notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

**Section 11 Waiver of Notice.** The transactions of any meeting of the board of directors, 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 not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice of consent need not 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. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

**Section 12 Quorum.** A majority of the authorized number of director shall constitute a quorum, which shall be required for the transaction of any business at any meeting of the board of directors, except to adjourn as provided in Section 13 of this ARTICLE VII. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of the California Nonprofit Corporation Law or the Articles of Incorporation. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a disinterested majority of the required quorum for such meeting or such greater number as required by the Articles of Incorporation or the California Nonprofit Corporation Law. Adoption or revocation of a plan of merger, consolidation, voluntary dissolution, bankruptcy or reorganization or for the sale, lease or exchange of all or substantially all of the property and assets of the corporation, otherwise than in the usual and regular course of its business, shall require the unanimous vote of the directors of the corporation.

**Section 13 Adjournment.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time or place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to time of the adjourned meeting to the directors who were not present at the time of the adjournment in the manner proved in Section 10(d). Such notice may be waived in the manner provided for in Section 11.



**Section 14 Proxies.** Proxies are prohibited at any regular or special meeting of the board of directors for any director entitled to vote who is not present.

**Section 15 Action Without Meeting by Written Consent.** Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board of directors, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as an unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board of directors. For purposes of this Section 15, "a unanimous vote" shall not include "interested directors" as that term is defined in section 5233 of the California Corporations Code.

**Section 16 Participation in Meeting by Conference Telephone.** Members of the board of directors may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another.

**Section 17 Reimbursements and Compensation of Directors.** Directors and members of committees may receive such reimbursement of expenses as may be determined by the board of directors to be just and reasonable and in compliance with applicable tax law for a corporation qualifying under Section 501(c)(3) of the Code, and Section 23701(d) of the California Revenue and Taxation Code, as amended. Directors and members of committees may receive such reasonable compensation, if any, for their services as may be fixed or determined by resolution of the board of directors.

**Section 18 Rights of Inspection.** Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind pertaining to the corporation.

## **ARTICLE VIII**

### **OFFICERS**

**Section 1 Election and Tenure.** The corporation must have a president, a secretary and a treasurer. The corporation may also have, at the discretion of the board of directors, such other officers with such titles and duties as may be prescribed from time to time by the board of directors or the Bylaws. The officers of the corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 4 or Section 5 of this ARTICLE VIII, shall be chosen annually by, and shall serve at the pleasure of, the board of directors, and shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be elected. Any number of offices may be held by the same person, except as provided in the Articles of Incorporation or in these Bylaws and except that neither the secretary nor the treasurer may serve concurrently as the president or chairman of the board of directors.

**Section 2 Specific Inclusion of James Farley.** Notwithstanding anything herein to the contrary, James Farley shall serve on the board of directors for life (so long as he is

competent and willing, as provided by the founders of this corporation in the Lee and Toni Leichtag Family Trust), and shall serve as president of the corporation, for such period of time as provided in any employment agreement entered into with this corporation. James Farley may only be removed as an officer of the corporation: (a) pursuant to the terms of any employment agreement between James Farley and the corporation; or (b) for "cause." "Cause" as used herein shall mean (i) a felony conviction proved by a nonappealable court order or a felony charge that results in a plea of *nolo contendere*, (ii) a nonappealable finding by the California Attorney General that he has engaged in intentional misconduct with respect to this corporation, (iii) his act or omission that directly results in the loss of this corporation's tax exempt status with no cure opportunity, (iv) his incapacity as determined by two independent examining physicians, or (v) as otherwise provided in any employment agreement entered into with this corporation.

**Section 3 Removal and Resignations.** Subject to the rights, if any, of any officer under any written contract of employment, any officer may be removed, either with or without cause, by a majority vote of the board of directors at any time. Any officer may resign at any time by giving written notice to the corporation, but without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 4 Duties and Powers of Officers.**

(a) **Chairman of the Board of Directors.** The board of directors may elect a chairman of the board of directors, who shall exercise and perform such powers and duties as may be assigned from time to time by the board of directors.

(b) **Vice Chairman of the Board of Directors.** The board of directors may elect a vice-chairman of the board of directors, who shall perform the duties as may be assigned from time to time by the board of directors.

(c) **President.** The board of directors shall select and appoint a president (who shall be the "Executive Director") who shall function as the chief executive officer of the corporation. Except to the extent that the Bylaws or the of directors assign specific powers and duties to other members of the board of directors, the president shall be the corporation's general manager and chief executive officer and, subject to the control of the board of directors, shall have general supervision, direction, and control over the corporation's business and its officers. The managerial powers and duties of the president shall include, but are not limited to, all the general powers and duties of management usually vested in the office of president of a corporation, including the power to employ, fix salaries for (except his or her own salary) and remove all employees subordinate to the president (other than officers elected by the board of directors) in accordance with the personnel policies adopted by the board or directors. The president shall be a member of the staff of the corporation and shall be a voting member of the board of directors and all committees except the Audit Committee. It shall be his or her duty to approve the expenditure of the monies appropriated by the board of directors in accordance with the budget approved by the board or directors. The president shall make an annual report and periodic reports to the board of directors concerning the programs of the corporation. All agents

and employees shall report and be responsible to the president. With the exception of the directors, the president shall have supervision and control over all services performed for or on behalf of the corporation and all such service providers shall serve at the pleasure of the president. The president shall have such other powers and duties as prescribed by the board of directors or the Bylaws. The president shall preside at meetings of the board of directors.

**(d) Vice-President.** The board of directors may elect one or more vice-presidents to perform some or all of the duties of the president as delegated by the president or in the president's absence. The vice-presidents shall assist the president in the performance of his or her duties.

**(e) Secretary.** The board of directors shall elect and appoint a secretary who shall attend to the following:

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

**(ii) Notices and Other Duties.** The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by the Bylaws to be given. He or she shall provide for notification of the directors of the corporation of their meetings in accordance with these Bylaws, shall be the custodian of the corporate records and deal, shall furnish certifications of board or director actions, Bylaws, and organizational documents, and shall have such other powers and perform such other duties as may be prescribed from time to time by the board of directors, the Bylaws or the president.

**(iii) In Secretary's Absence.** In the absence of the secretary, the president shall appoint a person to act as secretary of a particular meeting.

**(f) Treasurer.** The board or directors shall elect and appoint a treasurer who shall serve as chief financial officer and shall attend to the following:

**(i) 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 funds, finances and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times. At the end of his or her term, the treasurer shall deliver to his or her successor all books, monies, and other property of the corporation that is in his or her possession.

**(ii) Deposit and Disbursement of Money and Valuables.** The treasurer shall deposit, or direct the depositing of, all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors, and shall disburse, or arrange for the disbursement of, the funds of the corporation as

may be ordered by the board of directors, and shall, whenever requested by the president or directors, prepare, or arrange for the preparation of, an account of all of his transactions as treasurer and of the financial condition of the corporation and shall have other powers and perform such other duties as may be prescribed from time to time by the board of directors, the Bylaws or the president.

(iii) **Bond.** The board may require the treasurer to give such security as it may direct for the faithful performance of his or her duties.

**Section 5 Subordinate Officers.** The board of directors may appoint, or may empower the president or another officer to appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the board of directors may from time to time determine.

**Section 6 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

## **ARTICLE IX**

### **COMMITTEES**

**Section 1 Committees of Directors Empowered with Authority of the Board of Directors.** The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board of directors. Any such committee, to the extent expressly provided in the resolution of the board of directors, shall have all the authority of the board of directors, except that no such committee may:

(a) Fill vacancies on the board of directors or in any committee which has the authority of the board of directors;

(b) Amend or repeal Bylaws or adopt new Bylaws;

(c) Amend or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;

(d) Appoint any other committees of the board of directors or the members of these committees;

(e) Approve any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law; or approve any transaction (i) to which the corporation is a party and one or more directors have a material financial interest; or (ii) between the corporation and one or more of its directors or between the corporation and any entity in which one or more of its directors have a material financial interest.

The words "material financial interest" as used in this Section do not include funds contributed to the corporation by a director for use by the corporation for its charitable purposes.

**Section 2 Meetings and Action of Committees.** The provisions of this Section 2 of this ARTICLE IX apply only to those types of committees created under the provisions of Section 1 of the ARTICLE IX, and do not apply to those types of committees created under the provisions of Section 4 of this ARTICLE IX. Meetings and action of committees shall be governed by, held and taken in accordance with the provisions of ARTICLE VII of these Bylaws, concerning meetings of directors, with such changes in the context of those provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the board of directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

**Section 3 The Executive Committee.** The Executive Committee, to the extent convened from time to time by the board of directors, shall have the following members, organization and authority:

(a) **Members.** The Executive Committee shall consist of the following members: the president, and two members of the board of directors selected by a majority of the board of directors.

(b) **Chairman.** The president shall serve as the chairman of the Executive Committee.

(c) **Terms.** The members of the Executive Committee shall be appointed for a one (1) year term, except for the ex-officio member (the president) who shall serve so long as he or she holds that position.

(d) **Authority.** The board of directors hereby delegates to the Executive Committee all of the powers and authority of the board of directors to manage the day-to-day business and affairs of the corporation, except for those powers which cannot be delegated pursuant to Section 5212(a) of the California Nonprofit Corporation Law. Provided, however, that the Executive Committee shall not have authority to sell all or substantially all of the assets of the corporation or make significant changes in the nature of the business of the corporation, or to take any action described in Section 1 of this ARTICLE IX.

**Section 4 Standing and Special Committees.** The president or the board of directors may appoint such standing and special committees as the president or the board of directors may designate. The members of such committees shall not be directors, and neither such committees nor their members shall have any authority or powers of the board of directors. Standing and Special committees shall act strictly in an advisory capacity to the president and the board of directors in furtherance of the corporation's charitable and public purposes.

**Section 5     Audit Committee.** The board or directors shall designate, at or within a reasonable time after the annual meeting of the board of directors an Audit Committee (within the meaning of Cal. Govt. Code Section 12586(e)(2)), which, subject to the supervision of the board of directors, shall:

(a)     **Composition of Audit Committee.** The Audit Committee shall have at least one or more members, and may include persons who are not members of the board of directors, but the member or members of the audit committee shall not include any members of the staff of the corporation (whether paid staff or volunteer staff), including the president or treasurer. If the corporation has a finance committee, it shall be separate from the Audit Committee. Members of the finance committee may serve on the Audit Committee; however, the chairperson of the Audit Committee may not be a member of the finance committee and members of the finance committee shall constitute less than one-half of the membership of the Audit Committee. Members of the Audit Committee shall not receive any compensation from the corporation in excess of the compensation, if any, received by members of the board of directors for service on the board of directors and shall not have a material financial interest in any entity doing business with the corporation.

(b)     **Recommend Independent Auditor.** The Audit Committee shall recommend the firm to be employed as the corporation's independent auditor, and shall review and approve the discharge of any such firm. The Audit Committee shall also review and approve the independent auditor's compensation, the terms of its engagement by the corporation and the independence of such auditor.

(c)     **Review Independent Audit.** The Audit Committee shall review, in consultation with the independent auditor, the results of each independent audit of the corporation, the report of the auditor, any related management letter, and management's responses to recommendations made by the independent auditor in connection with the audit.

(i)     **Review Annual Financial Statements.** The Audit Committee, in consultation with the independent auditor and management, shall review the corporation's annual financial statements, any report or opinion rendered by the independent auditor in connection with those financial statements, and any dispute between management and the independent auditor that arises in connection with the preparation of those financial statements. The Audit Committee shall review and report to the board of directors with respect to the financial portions of the corporation's annual report.

(ii)     **Review Financial Statements.** The Audit Committee shall review before or after publication, the corporation's financial statements.

(iii)     **Plan External Audits.** The Audit Committee shall consider, in consultation with the independent auditor, the scope and plan of forthcoming external audits.

(iv)     **Evaluate Internal Accounting Controls.** The Audit Committee shall consider, in consultation with the independent auditor and chief internal auditor, if any, the adequacy of the corporation's internal accounting controls.

(v) **Evaluate Accounting Principles and Practices.** The Audit Committee shall consider, when presented by the independent audit or otherwise, material questions of choice with respect to the choice of appropriate accounting principles and practices to be used in the preparation of the corporation's financial statements.

(vi) **Compliance With Conflict of Interest and Code of Ethics.** The Audit Committee shall review the expense accounts and perquisites of officers and senior staff and the corporation's compliance with its conflict of interest policy and code of ethical conduct, except as such function may be delegated by the board of directors to another committee.

(vii) **Consider Other Financial Matters.** The Audit Committee shall have the power to inquire into any financial matters in addition to those set forth in this subsection 5(c).

(viii) **Perform Other Assignments.** The Audit Committee shall perform such other functions as may be prescribed from time to time by the board of directors, the Bylaws or the president.

## **ARTICLE X**

### **INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS**

#### **Section 1 Definitions. For the purposes of this ARTICLE X:**

(a) **"Agent"** means any person who is or was a director, officer, employee or other agent of this corporation, or is or was serving at the request of this 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 this corporation or of another enterprise at the request of the predecessor corporation;

(b) **"Proceeding"** means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and

(c) **"Expenses"** includes, without limitation, all attorneys' fees, costs and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs and other expenses incurred in establishing a right to indemnification under this ARTICLE X.

**Section 2 Successful Defense by Agent.** To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this ARTICLE X, 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. If an agent either settles any such claim or sustains a judgment rendered against him, then the provisions of Sections 3 through 5 of this ARTICLE X shall determine whether the agent is entitled to indemnification.

**Section 3     Actions Brought by Persons Other than the Corporation.** Subject to the required findings to be made pursuant to Section 5 below, this corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, this corporation, or by an officer, director or person granted related 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 California Corporations Code Section 5233, or by the Attorney General or a person granted related status by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of this corporation, for all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with the proceeding.

**Section 4     Actions Brought by or on Behalf of the Corporation or by the Attorney General of the State of California.**

(a) **Claims Settled Out of Court.** If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this corporation, or by the Attorney General of the State of California, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding, unless it is settled with the approval of the Attorney General.

(b) **Claims and Suits Awarded Against Agent.** The corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action brought by or on behalf of this corporation by reason of the fact that the person is or was an agent of this corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:

(i) The determination of good faith conduct required by Section 5 below, must be made in the manner provided for in that Section; and

(ii) Upon application, the court in which the action was brought must determine that, in view of all the circumstances of the case, the agent should be 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 5     Determination of Agent's Good Faith Conduct.** The indemnification granted to an agent in Sections 3 and 4 above, is conditioned on the following:

(a) **Required Standard of Conduct for Actions Brought by Persons Other than the Corporation.** For actions brought by persons other than the corporation, the agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith and in a manner he reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, to have had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or on a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person



did not act in good faith or in a manner which he reasonably believed to be in the best interest of this corporation or that he had reasonable cause to believe that his conduct was unlawful.

**(b) Required Standard of Conduct for Actions Brought by or on Behalf of the Corporation or by the Attorney General of the State of California.** For actions brought by or on behalf of the corporation or by the Attorney General of the State of California, the agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he believed to be in the best interest of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.

**(c) Manner of Determination of Good Faith Conduct.** The determination that the agent did act in a manner complying with subsection (a) or (b) above, whichever is applicable, shall be made by:

**(i)** The board of directors, by a majority vote of a quorum consisting of directors who are not parties to the proceeding; or

**(ii)** The court in which the proceeding is or was pending. Such determination may be made on application brought by this 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 this corporation.

**Section 6 Limitation on Certain Forms of Indemnification.** No indemnification or advance shall be made under this ARTICLE X, except as provided in Section 2 or Section 5(c)(ii) as it applies to Section 3 above, in any circumstance when it appears:

**(a)** That the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation 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 7 Advance of Expenses.** Expenses incurred in defending any proceeding may be advanced by this 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 under this ARTICLE X.

**Section 8 Contractual Rights of Non-directors and Non-officers.** Nothing contained in this ARTICLE X shall affect any right to indemnification to which persons other than directors and officers of this corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

**Section 9 Insurance.** The board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability other than for violating provisions against self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against such liability under the provisions of this ARTICLE X; provided, however, that a corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

## **ARTICLE XI**

### **RECORDS AND REPORTS**

**Section 1 Maintenance of Corporate Records.** The corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written or typed form of the proceedings of its board of directors and committees of the board of directors. All such records shall be kept at the corporation's principal executive office.
- (c) The accounting shall be kept either in written or typed form, or in any other form capable of being converted into written, typed or printed form.
- (d) Upon leaving office, each officer, employee or agent of the corporation shall turn over to his or her successor or the president, in good order, such corporate monies, books, records, minutes, lists, documents, contract or other property of the corporation as have been in the custody of such officer, employee or agent during his or her term of office.

**Section 2 Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation and each of its subsidiaries, if any. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

**Section 3 Annual Report to Directors.** The board of directors shall cause an annual report to be sent to all directors of this corporation no later than one hundred twenty (120) days after the close of the corporation's fiscal year. Such report shall contain the following information in reasonable detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

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

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

The report shall be accompanied by any pertinent report of independent accountants, or if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

**Section 4 Annual Statement of Certain Transactions and Indemnifications.** No later than the time the corporation gives its annual report to the directors, and in any event no later than one hundred twenty (120) days after the close of the corporation's fiscal year, the corporation shall furnish to its directors a statement of the amount and circumstances of any transaction or indemnification of the following kind:

(a) Any transactions during the fiscal year in which the corporation or its subsidiary was a party, and in which any director or officer of the corporation or its subsidiaries had a direct or indirect financial interest (a mere common directorship shall not be considered such an interest and contributions by a director or officer to the corporation for its charitable purposes shall not be considered such an interest), if such transaction involved more than \$50,000, or was one of a number of transactions with the same person which in the aggregate involved more than \$50,000; and

(b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of the corporation pursuant to ARTICLE X hereof, unless such indemnification has already been approved by the board of directors.

## **ARTICLE XII**

### **CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS**

**Section 1 Contracts or Transactions with Directors and Officers.** The corporation shall not be a party to any contract or transaction (a) in which one or more of its directors or officers has a material financial interest, (b) with any corporation, firm, association or other entity in which one or more of its directors or officers has a material financial interest, or (c) with any corporation, firm, association, or other entity (other than a California nonprofit public benefit corporation) in which one or more of its directors is a director, unless the procedures of the corporation's Ethics Policy and Conflicts of Interests Policy have been complied with and the minutes of the board of director's meeting indicates such compliance and includes any related documents required as part of such compliance.

**Section 2 Loans to Directors and Officers.** The corporation shall not make any loan of money or property or act as guarantor of the obligations of any director or officer unless approved by the Attorney General of the State of California; provided, however, that the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such director or officer, provided that in the absence of such advance, such director or officer would be entitled to be

reimbursed for such expenses by the corporation. Directors of the corporation who approve the making of any such loan or guaranty shall be jointly and severally liable to the corporation for any loss suffered by the corporation as a result of such loan or guaranty.

**Section 3 Mutual Directors.** The board of directors shall comply with the corporation's Ethics Policy and Conflict of Interest Policy in connection with the consideration an approval of any contract or other transaction between the corporation and any other California nonprofit public benefit corporation which has one or more directors in common with the corporation. The secretary shall indicate such compliance in the minutes of the board of director's meeting and include any related documents required as part of such compliance. In the absence of such compliance, the contract or other transaction shall still not be void or voidable if the contract or transaction is just and reasonable as to the corporation at the time it is authorized, approved or ratified.

## **ARTICLE XIII**

### **OTHER PROVISIONS**

**Section 1 Endorsement of Documents; Contracts.** Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the chairman of the board of directors, the president, or any vice president and the secretary, any assistant secretary, the treasurer, or any assistant treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the board of directors, and, unless so authorized by the board of directors, 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 for any purpose or amount.

**Section 2 Construction and Definitions.** Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the 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 a corporation and a natural person.

## **ARTICLE XIV**

### **AMENDMENTS**

The board of directors may by majority vote amend the Articles of Incorporation of this corporation and these Bylaws to include or omit any provision that could lawfully be included or omitted at the time such amendment or restatement is adopted; provided, however, that any amendment to Sections 3, 5, 6 or 12 of ARTICLE VII, and Section 2 of ARTICLE VIII, shall

require the unanimous vote of the directors. Subject to the preceding sentence, any number of amendments, or an entire revision or restatement of the Articles of Incorporation or Bylaws, either (i) may be submitted and voted upon at a single meeting of the board of directors and be adopted at such meeting, a quorum being present, upon receiving the affirmative vote of not less than two-thirds (2/3rds) of the total number of authorized directors of this corporation, or (ii) may be adopted, in accordance with Section 15 of ARTICLE VII hereof, by a writing signed by all of the directors of this corporation.

**[CERTIFICATE OF ADOPTION FOLLOWS ON PAGE 22]**

COPY

**CERTIFICATE OF ADOPTION**  
**OF THE AMENDED AND RESTATED BYLAWS OF**  
**THE LEICHTAG FAMILY FOUNDATION**  
**A California Nonprofit Public Benefit Corporation**

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I, the undersigned, do hereby certify that:

(1) I am the duly elected and acting secretary of The Liechtag Family Foundation, a California nonprofit public benefit corporation; and

(2) The foregoing Bylaws, consisting of twenty-one (21) pages containing thirteen (13) Articles, constitute the Amended and Restated Bylaws of this corporation as duly adopted by the board of directors on April 9, 2008.

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Dianne Tatum, Secretary