

**Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code**

OMB No. 1545-0056

If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.
A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

05127095

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document) The Leichtag Family Foundation		2 Employer identification number (If none, see instructions.) 33 0466189
1b c/o Name (if applicable) Toni Leichtag		3 Name and telephone number of person to be contacted if additional information is needed Ben Pynes (619) 942-0058
1c Address (number, street, and room or suite no.) 7017 Almaden Lane		
1d City or town, state, and ZIP code Carlsbad, CA 92009		4 Month the annual accounting period ends December
5 Date incorporated or formed April 26, 1991	6 Activity codes (See instructions.) 161 602 040	
7 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)		
8 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. RECEIVED INTERNAL REVENUE SERVICE AUG 01 1991		
9 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed. RECEIVED INTERNAL REVENUE SERVICE AUG 01 1991		

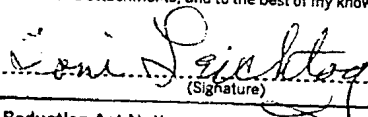
LOS ANGELES DISTRICT
EP/EO DIVISION-SCREENING

10 Check the box for your type of organization. BE SURE TO ATTACH A COMPLETE COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a ☒ **Corporation**— Attach a copy of your Articles of Incorporation, (including amendments and restatements) showing approval by the appropriate State official; also include a copy of your bylaws.
- b ☐ **Trust**— Attach a copy of your Trust Indenture or Agreement, including all appropriate signatures and dates.
- c ☐ **Association**— Attach a copy of your Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of your bylaws.

If you are a corporation or an unincorporated association that has not yet adopted bylaws, check here ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here  Toni Leichtag, Pres. 7/29/91
(Signature) (Title or authority of signer) (Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Complete the Procedural Checklist (page 7 of the instructions) prior to filing.

Part II Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in your organizational document. Describe each activity separately in the order of importance. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.
- (a) 1. Contributions will be made to established organizations (which have qualified as exempt) which do medical research for the elimination of diseases such as cancer, heart disease, aids, pulmonary problems, and diabetes (as related to aging)
 - 2. Contributions will be made to deserving qualified charitable organizations.
 - 3. Scholarships will be awarded to deserving students.
 - (b) The activity will commence immediately upon approval as an exempt organization.
 - (c) The activity will be conducted by a Board of Directors of the foundation in San Diego County.
- 2 What are or will be the organization's sources of financial support? List in order of size.
A contribution will be received in 1991 in the approximate amount of twenty million dollars. This will be invested and the income used to support charitable purposes as listed above. Future contributions may be made to the foundation to be invested and income used in the same manner.
- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.
- No fundraising activities are planned.

Part II Activities and Operational Information (Continued)**4** Give the following information about the organization's governing body:**a** Names, addresses, and titles of officers, directors, trustees, etc.

1. Toni Leichtag 7017 Almaden Lane, Carlsbad, CA 92009
President and chairperson of the Board
2. Joli Ann Price 6541 Basalto St., Carlsbad, CA 92009
Vice President
3. Sheldon Scharlin 2727 Camino Del Rio S. San Diego, CA 92108
Treasurer
4. Benjamin Pynes 7682 El Camino Real, Carlsbad, CA 92009
Secretary

b Annual Compensation

None

None

*

*

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?

If "Yes," name those persons and explain the basis of their selection or appointment.

☐ Yes☒ No**d** Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See the specific instructions for line 4d.)☒ Yes☐ No

If "Yes," explain.

Toni Leichtag is a substantial contributor to the foundation.
Joli Ann Price is the daughter of the contributors.

5 Does the organization control or is it controlled by any other organization?☐ Yes☒ No

Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors?

☐ Yes☒ No

If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than 501(c)(3) organizations): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?☐ Yes☒ No

If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization?☐ Yes☒ No

If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

* Normal compensation for actual work done including attendance at directors meetings

Part II Activities and Operational Information (Continued)

- 8** What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

N/A

- 9a** Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? ☐ Yes ☒ No
- b** Is the organization a party to any leases? ☐ Yes ☒ No
- If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

- 10** Is the organization a membership organization? ☐ Yes ☒ No
- If "Yes," complete the following:

a Describe the organization's membership requirements, and attach a schedule of membership fees and dues.

b Describe your present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) your members receive in exchange for their payment of dues?

- 11a** If the organization provides benefits, services or products, are the recipients required, or will they be required, to pay for them? ☒ N/A ☐ Yes ☐ No
- If "Yes," explain how the charges are determined, and attach a copy of your current fee schedule.

- b** Does or will the organization limit its benefits, services or products to specific individuals or classes of individuals? ☒ N/A ☐ Yes ☐ No
- If "Yes," explain how the recipients or beneficiaries are or will be selected.

- 12** Does or will the organization attempt to influence legislation? ☐ Yes ☒ No
- If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds which it devotes or plans to devote to this activity.

- 13** Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? ☐ Yes ☒ No
- If "Yes," explain fully.

Part III Technical Requirements

- 1 Are you filing Form 1023 within 15 months from the end of the month in which you were created or formed? ☒ Yes ☐ No
If you answer "Yes," do not answer questions 2 through 6.
- 2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.
Exceptions—You are not required to file an exemption application within 15 months if the organization:
- ☐ (a) is a church, interchurch organization, local unit of a church, a convention or association of churches, or an integrated auxiliary of a church;
- ☐ (b) is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or,
- ☐ (c) is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.
- 3 If you do not meet any of the exceptions in question 2, do you wish to request relief from the 15-month filing requirement? ☐ Yes ☐ No
- 4 If you answer "Yes" to question 3, please give your reasons for not filing this application within 15 months from the end of the month in which your organization was created or formed. (See the instructions before completing this item.)
- 5 If you answer "No" to both questions 1 and 3 and do not meet any of the exceptions in question 2, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date you were formed? ☐ Yes ☐ No
- 6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date you were formed and ending with the date your Form 1023 application was received (the effective date of your section 501(c)(3) status), check here ☐ and attach a completed page 1 of Form 1024 to this application.

Part III. Technical Requirements (Continued)

7 Is the organization a private foundation?

- ☒ **Yes** (Answer question 8.)
☐ **No** (Answer question 9 and proceed as instructed.)

8 If you answer "Yes" to question 7, do you claim to be a private operating foundation?

- ☒ **Yes** (Complete Schedule E.)
☐ **No**

After answering this question, go to Part IV.

9 If you answer "No" to question 7, indicate the public charity classification you are requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | |
|--|---|
| (a) <input type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A). | Sections 509(a)(1) and 170(b)(1)(A)(i) |
| (b) <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B). | Sections 509(a)(1) and 170(b)(1)(A)(ii) |
| (c) <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (MUST COMPLETE SCHEDULE C). | Sections 509(a)(1) and 170(b)(1)(A)(iii) |
| (d) <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1) and 170(b)(1)(A)(v) |
| (e) <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in (a) through (d), (g), (h), or (i) (MUST COMPLETE SCHEDULE D). | Section 509(a)(3) |
| (f) <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| (g) <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1) and 170(b)(1)(A)(iv) |
| (h) <input type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1) and 170(b)(1)(A)(vi) |
| (i) <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| (j) <input type="checkbox"/> We are a publicly supported organization but are not sure whether we meet the public support test of block (h) or block (i). We would like the Internal Revenue Service to decide the proper classification. | Sections 509(a)(1) and 170(b)(1)(A)(vi) or
Section 509(a)(2) |

If you checked one of the boxes (a) through (f) in question 9, go to question 14.
 If you checked box (g) in question 9, go to questions 11 and 12.
 If you checked box (h), (i), or (j), go to question 10.

Part III Technical Requirements (Continued)

- 10** If you checked box (h), (i), or (j) in question 9, have you completed a tax year of at least 8 months?
- ☐ Yes—Indicate whether you are requesting:
- ☐ A definitive ruling (Answer questions 11 through 14.)
- ☐ An advance ruling (Answer questions 11 and 14 and attach 2 Forms 872-C completed and signed.)
- ☐ No—**You must request an advance ruling by completing and signing 2 Forms 872-C and attaching them to your application.**
- 11** If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

- 12** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ☐ and:

- a** Enter 2% of line 8, column (e) of Part IV-A _____
- b** Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount you entered on line 12a above.

- 13** If you are requesting a definitive ruling under section 509(a)(2), check here ☐ and:

- a** For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person."
- b** For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

- 14** Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)

	Yes	No	If "Yes," complete Schedule:
Is the organization a church?			A
Is the organization, or any part of it, a school?			B
Is the organization, or any part of it, a hospital or medical research organization?			C
Is the organization a section 509(a)(3) supporting organization?			D
Is the organization an operating foundation?			E
Is the organization, or any part of it, a home for the aged or handicapped?			F
Is the organization, or any part of it, a child care organization?			G
Does the organization provide or administer any scholarship benefits, student aid, etc.?			H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?			I

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A.—Statement of Revenue and Expenses

		Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
		(a) From..... to	(b) 19	(c) 19	(d) 19	
Revenue	1 Gifts, grants, and contributions received (not including unusual grants—see instructions) . . .					
	2 Membership fees received . . .					
	3 Gross investment income (see instructions for definition) . . .					
	4 Net income from organization's unrelated business activities not included on line 3					
	5 Tax revenues levied for and either paid to or spent on behalf of the organization					
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule) . . .					
	8 Total (add lines 1 through 7) . . .					
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513					
	10 Total (add lines 8 and 9) . . .					
	11 Gain or loss from sale of capital assets (attach schedule) . . .					
	12 Unusual grants					
	13 Total revenue (add lines 10 through 12)					
Expenses	14 Fundraising expenses					
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule) . . .					
	16 Disbursements to or for benefit of members (attach schedule) . . .					
	17 Compensation of officers, directors, and trustees (attach schedule)					
	18 Other salaries and wages					
	19 Interest					
	20 Occupancy (rent, utilities, etc.) . . .					
	21 Depreciation and depletion					
	22 Other (attach schedule)					
	23 Total expenses (add lines 14 through 22)					
	24 Excess of revenue over expenses (line 13 minus line 23)					

SCHEDULE ATTACHED

Part IV Financial Data (Continued)

B.—Balance Sheet (at the end of the period shown)		Current tax year Date 12/31/91
Assets		
1	Cash	1 100,000
2	Accounts receivable, net	2
3	Inventories	3
4	Bonds and notes receivable (attach schedule)	4
5	Corporate stocks (attach schedule)	5
6	Mortgage loans (attach schedule)	6
7	Other investments (attach schedule) Treasury Notes & Bonds	7 19,900,000
8	Depreciable and depletable assets (attach schedule)	8
9	Land	9
10	Other assets (attach schedule)	10
11	Total assets (add lines 1 through 10)	11 20,000,000
Liabilities		
12	Accounts payable	12
13	Contributions, gifts, grants, etc., payable	13
14	Mortgages and notes payable (attach schedule)	14
15	Other liabilities (attach schedule)	15
16	Total liabilities (add lines 12 through 15)	16 -0-
Fund Balances or Net Assets		
17	Total fund balances or net assets	17 20,000,000
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	18 20,000,000

If there has been any substantial change in any aspect of your financial activities since the end of the period shown above, check the box and attach a detailed explanation ☐

THE LEICHTAG FAMILY FOUNDATION
Part IV Financial Data
Proposed Budget

Between October 1, 1991 and December 31, 1991:

1. Contribution of \$20,000,000 made to this foundation.
(date contingent upon when exempt status is obtained)
2. Funds invested in Treasury Bonds and Treasury Notes.
3. Expenses will be limited to payments made for actual work done for the foundation or directors fees. (anticipated not to exceed 10% of income produced)
4. Excess of income over expenses will be paid out as received to qualified recipient organizations.

January 1, 1992 to December 31, 1992:

1. Anticipated income of \$1,250,000.
2. Anticipated expenses of not to exceed \$125,000 for actual work performed for the foundation including directors fees.
3. Income of \$1,125,000 paid out as received to qualified recipient organizations.

January 1, 1993 to December 31, 1993:

1. Anticipated income of \$1,250,000.
2. Anticipated expenses of not to exceed \$125,000 for actual work performed for the foundation including directors fees.
3. Income of \$1,125,000 paid out as received to qualified recipient organizations.

THE LEICHTAG FAMILY FOUNDATION
SCHEDULE E
ATTACHMENT

The initial corpus of the foundation will be in the form of a contribution in the amount of approximately \$20,000,000 which will be made before December 31, 1991.

The corpus will be invested in Treasury Notes and Treasury Bonds or like investments.

The income from the aforesaid investments less normal operating expenses (anticipated to be less than 10% of said income) will be currently distributed to qualified recipient organizations as selected by a majority of the governing board.

It is anticipated that all income will be distributed as received.

All assets will be invested in income producing investments.

Schedule E.—Private Operating Foundation

Income Test		Most recent tax year
1a	Adjusted net income, as defined in Regulations section 53.4942(a)-2(d)	1a
b	Minimum investment return, as defined in Regulations section 53.4942(a)-2(c)	1b
2	Qualifying distributions:	
a	Amounts (including administrative expenses) paid directly for the active conduct of the activities for which organized and operated under section 501(c)(3) (attach schedule)	2a
b	Amounts paid to acquire assets to be used (or held for use) directly in carrying out purposes described in section 170(c)(1) or 170(c)(2)(B) (attach schedule)	2b
c	Amounts set aside for specific projects that are for purposes described in section 170(c)(1) or 170(c)(2)(B) (attach schedule)	2c
d	Total qualifying distributions (add lines 2a, b, and c)	2d
3	Percentages:	
a	Percentage of qualifying distributions to adjusted net income (divide line 2d by line 1a)	3a
b	Percentage of qualifying distributions to minimum investment return (divide line 2d by line 1b) (Percentage must be at least 85% for 3a or 3b)	3b
Assets Test		
4	Value of organization's assets used in activities that directly carry out the exempt purposes. Do not include assets held merely for investment or production of income (attach schedule)	4
5	Value of any stock of a corporation that is controlled by applicant organization and carries out its exempt purposes (attach statement describing corporation)	5
6	Value of all qualifying assets (add lines 4 and 5)	6
7	Value of applicant organization's total assets	7
8	Percentage of qualifying assets to total assets (divide line 6 by line 7—percentage must exceed 65%)	8
Endowment Test		
9	Value of assets not used (or held for use) directly in carrying out exempt purposes:	
a	Monthly average of investment securities at fair market value	9a
b	Monthly average of cash balances	9b
c	Fair market value of all other investment property (attach schedule)	9c
d	Total (add lines 9a, b, and c)	9d
10	Acquisition indebtedness related to line 9 items (attach schedule)	10
11	Balance (subtract line 10 from line 9d)	11
12	Multiply line 11 by 3 1/3% (3/3 of the percentage for the minimum investment return computation under section 4942(e)). Line 2d above must equal or exceed the result of this computation	12
Support Test		
13	Applicant organization's support as defined in section 509(d)	13
14	Gross investment income as defined in section 509(e)	14
15	Support for purposes of section 4942(j)(3)(B)(iii) (subtract line 14 from line 13)	15
16	Support received from the general public, 5 or more exempt organizations, or a combination of these sources (attach schedule)	16
17	For persons (other than exempt organizations) contributing more than 1% of line 15, enter the total amounts that are more than 1% of line 15	17
18	Subtract line 17 from line 16	18
19	Percentage of total support (divide line 18 by line 15—must be at least 85%)	19
20	Does line 16 include support from an exempt organization that is more than 25% of the amount of line 15?	<input type="checkbox"/> Yes <input type="checkbox"/> No
21	Newly created organizations with less than one year's experience: Attach a statement explaining how the organization is planning to satisfy the requirements of section 4942(j)(3) for the income test and one of the supplemental tests during its first year's operation. Include a description of plans and arrangements, press clippings, public announcements, solicitations for funds, etc.	
22	Does the amount entered on line 2a include any grants that you made? If "Yes," attach a statement explaining how those grants satisfy the criteria for "significant involvement" grants described in section 53.4942(b)-1(b)(2) of the regulations.	

For more information, see back of Schedule E.

Instructions

If the organization claims to be an operating foundation described in section 4942(j)(3) and—

- (a) bases its claim to private operating foundation status on normal and regular operations over a period of years; or
- (b) is newly created, set up as a private operating foundation, and has at least one year's experience;

provide the information under the Income test and under one of the three supplemental tests (assets, endowment, or support). If the organization does not have at least one year's experience, provide the information called for on line 21. If the organization's private operating foundation status depends on its normal and regular operations as described in (a) above, attach a schedule similar to the one shown on the front of this schedule showing the data in tabular form for the three years preceding the most recent tax year. (See Regulations section 53.4942(b)-1 for additional information before completing the "Income Test" section of this schedule.) Organizations claiming section 4942(j)(5) status must satisfy the income test and the endowment test.

A "private operating foundation" described in section 4942(j)(3) is a private foundation that spends substantially all of the lesser of its adjusted net income (as defined below) or its minimum investment return directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated. The foundation must satisfy the income test under section 4942(j)(3)(A), as modified by Regulations section 53.4942(b)-1, and one of the following three supplemental tests: (1) the assets test under section 4942(j)(3)(B)(i); (2) the endowment test under section 4942(j)(3)(B)(ii); or (3) the support test under section 4942(j)(3)(B)(iii).

Certain long-term care facilities described in section 4942(j)(5) are treated as private operating foundations for purposes of section 4942 only.

"Adjusted net income" is the excess of gross income for the tax year over the sum of deductions determined with the modifications described below. Items of gross income from any unrelated trade or business and the deductions directly connected with the unrelated trade or business will be taken into account in computing the organization's adjusted net income:

Income modifications (adjustments to gross income).—

- (1) Section 103 (relating to interest on certain governmental obligations) does not apply. Thus, interest that otherwise would have been excluded should be included in gross income.
- (2) Except as provided in (3) below, capital gains and losses are taken into account only to the extent of the net short-term gain. Long-term gains and losses will be disregarded.

(3) The gross amount received from the sale or disposition of certain property should be included in gross income to the extent that the acquisition of the property constituted a qualifying distribution under section 4942(g)(1)(B).

(4) Repayments of prior qualifying distributions (as defined in section 4942(g)(1)(A)) will constitute items of gross income.

(5) Any amount set aside under section 4942(g)(2) that is "not necessary for the purposes for which it was set aside" will constitute an item of gross income.

Deduction modifications (adjustments to deductions).—

(1) Expenses for the general operation of the organization according to its charitable purposes (as contrasted with expenses for the production or collection of income and management, conservation, or maintenance of income producing property) should not be taken as deductions. If only a portion of the property is used for production of income subject to section 4942 and the remainder is used for general charitable purposes, the expenses connected with that property should be divided according to those purposes and only expenses related to the income producing portion will be allowed as a deduction.

(2) Charitable contributions, deductible under section 170 or 642(c), should not be taken into account as deductions for adjusted net income.

(3) The net operating loss deduction prescribed under section 172 should not be taken into account as a deduction for adjusted net income.

(4) The special deductions for corporations (such as the dividends-received deduction) allowed under sections 241 through 250 should not be taken into account as deductions for adjusted net income.

(5) Depreciation and depletion should be determined in the same manner as under section 4940(c)(3)(B).

Section 265 (relating to the expenses and interest connected with tax-exempt interest) should not be taken into account.

You may find it easier to figure adjusted net income by completing Column (c), Part 1, Form 990-PF, according to the instructions for that form.

An organization that has been held to be a private operating foundation will continue to be such an organization only if it meets the income test and either the assets, endowment, or support test in later years. See Regulations section 53.4942(b) for additional information. No additional request for ruling will be necessary or appropriate for an organization to maintain its status as a private operating foundation. However, data related to the above tests must be submitted with the organization's annual information return, Form 990-PF.

1574156

ENDORSED
FILED

in the office of the Secretary of State
of the State of California

APR 26 1991

MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION

OF

THE LEICHTAG FAMILY FOUNDATION

I

The name of the corporation is THE LEICHTAG FAMILY FOUNDATION.

II

- A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.
- B. The specific purpose of this corporation is to support charitable, scientific, educational or other recognized type of organization which the internal revenue recognizes as qualifying.
- C. The income must be distributed each year so that it does not incur excise tax. The corporation is prohibited from self dealing. The corporation may not retain excessive business holdings. The corporation may not make investments which jeopardize its charitable purposes. The corporation may make no taxable expenditures as defined by the Internal Revenue Service.

III

The name and address in the State of California of this corporations initial agent for the service of process is:

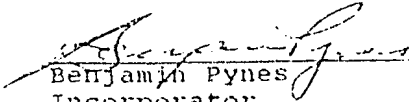
Benjamin Pynes
7682 El Camino Real
Suite 208
Carlsbad, CA 92009

IV

- A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.
- B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any

V

The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever enure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.


Benjamin Pynes
Incorporator

BYLAWS

OF

THE LEICHTAG FAMILY FOUNDATION
(a California Nonprofit Public Benefit Corporation)

ARTICLE 1: NAME

The name of this corporation is THE LEICHTAG FAMILY FOUNDATION.

ARTICLE 2: OFFICES

Section 2.01. Principal Executive Office. The principal executive office of the corporation shall be located at 7017 Almaden Lane in Carlsbad, California. The Board of Directors may change the location of this office. Any such change shall be noted on these Bylaws by the Secretary, opposite this section, or this section may be amended to state the new location.

Section 2.02 Other Offices. Other offices may at any time be established at any place or places specified by the Board of Directors.

ARTICLE 3: OBJECTIVES AND PURPOSES

The corporation shall be dedicated primarily to support charitable, scientific, educational or other types of organizations recognized by the internal revenue as qualifying.

This corporation has been formed under the California Non-profit Public Benefit Corporation Law for the charitable purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the corporation shall consist of the publication or dissemination of materials or statements with the purpose of attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

The corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the charitable purposes described in the articles of incorporation.

ARTICLE 4: DEDICATION OF ASSETS

The properties and assets of this nonprofit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, director or officer of this corporation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization dedicated to charitable purposes which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3).

ARTICLE 5: MEMBERSHIP

Section 5.01. Statutory Members. The corporation shall not have any members within the meaning of Section 5056 of the California Corporations Code.

Section 5.02. 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 6: BOARD OF DIRECTORS

Section 6.01. Powers. Subject to the provisions of the California Nonprofit Corporation Law, the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the corporation to a management company, committee (however composed), or other person, 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.

Section 6.02. Number of Directors. The authorized number of directors of the corporation shall not be less than three (3) nor more than seven (7) until changed by amendment of the Articles of Incorporation or by a bylaw amending this Section 6.02. The exact number of directors shall be fixed from time to time within the limits specified in this Section 6.02, by the Board of Directors.

Subject to the above provisions for changing the number of directors, the authorized number of directors of the corporation shall be four (4).

Section 6.03. Qualifications of Directors. Each Director shall be a natural person at least 21 years of age.

Except for the initial directors as described in Section 6.05 below, the members of the Board of Directors shall be appointed by the board of directors.

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 6.04. Restriction on Interested Directors. Not 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 (1) 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 employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 6.05. Election and Term of Office. The four (4) initial Board of Directors shall be chosen by the incorporator to serve until their successors have been selected and seated at the corporation's first annual meeting in May, 1992. At this annual meeting, the directors shall be classified into two groups for the purpose of providing, as nearly as numerically possible, for the election of one-half of the Board of directors in each subsequent year. The first group shall consist of two (2) directors whose initial term of office shall commence with the first annual meeting of the Board of Directors and continue through the corporation's second Annual Meeting. The second group shall consist of two (2) directors whose initial term of office shall commence with the first annual meeting of the Board of Directors and continue through the corporation's third Annual Meeting.

Except as provided above for the initial terms of directors, the term of office of each director of the corporation shall be two (2) years and until his or her successor has been selected and seated.

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. A director may succeed himself or herself in office, and there shall be no limit to the number of consecutive terms a director may serve.

Section 6.06. Vacancies and Removal. A vacancy in the Board of Directors shall be deemed to exist on the occurrence of the

following: (i) the death, resignation, or removal of any director; (ii) the declaration by the Board of Directors of a vacancy in the office of a director who has been declared of unsound mind by a final order or judgment of any court, or convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty under Section 5230-38 of the California Corporations Code dealing with standards of conduct for a director, or has missed 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; (iii) an increase in the authorized number of directors; or (iv) the failure of the directors, at any annual or other meeting of directors at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

The Board of Directors, by affirmative vote of a majority of the directors then in office, may remove any director without cause at any regular or special meeting; provided that the director to be removed has been notified in writing in the manner set forth in Section 6.10 of this Article 6 that such action would be considered at the meeting.

All vacancies may be filled by a vote of a majority of the directors then in office, whether or not the majority is less than a quorum, or by vote of a sole remaining director. Each director so appointed shall hold office until his or her successor is appointed at an annual or other meeting of the Board.

Any director may resign effective upon giving written notice to the Chairperson of the Board, the President, the Secretary, or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, the successor may be elected to take office when the resignation becomes effective. Unless the California Attorney General is first notified no director may resign when the corporation would then be left without a duly elected director or directors in charge of its affairs.

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

Section 6.07. Place of Meetings; Meetings by Telephone. Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by the Board. In the absence of such designation, regular meetings of the Board shall be held at the principal executive office of the corporation. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice, at the

there is no notice, at the principal executive office of the corporation. Notwithstanding the above provisions of this Section 7, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all the Board members, either before or after the meeting. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 6.08. Annual Meeting. The Board of Directors shall hold a regular meeting in May of each year, for the purpose of appointing directors and officers of the corporation, and for the transaction of other business. Notice of the annual meeting shall be given in the same manner set forth in Section 6.10 of this Article 6.

Section 6.09. Other Regular Meetings. Other regular meetings of the Board of Directors shall be held at such times as are fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 6.10. Special Meetings. Special meetings of the Board of Directors for any purpose may be called at any time by the Chairperson of the Board, the President, the Secretary, or any two directors.

Written notice of the time and place of special meetings shall be delivered personally to each director or communicated to each director by telephone, or by telegraph or first-class mail, with charges prepaid, addressed to the director at the director's address as it is shown upon the records of the corporation or, if it is not so shown on such records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held. In case such notice is mailed, it shall be deposited in the United States mail at least four (4) days prior to the time of the holding of the meeting. In case such notice is delivered personally or by telephone, or by telegraph, it shall be so delivered at least forty-eight (48) hours prior to the time of the holding of the meeting. Such mailing or delivery, personally or by telephone or telegraph, shall be due, legal and personal notice to such director.

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

Section 6.11. Action at a Meeting: Quorum and Required Vote. Presence of a majority of the directors then in office or three directors, whichever is greater, at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws. Every act done or decision 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, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by the Articles of Incorporation, these Bylaws, or the California Nonprofit Corporation Law. A meeting at which a quorum is initially present, including an adjourned meeting, 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, these Bylaws 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, requires the approval of two-thirds (2/3) of the authorized number of directors of the corporation.

Section 6.12. Adjourned Meeting and Notice. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment. Such notice may be waived in the manner provided for in section 10.

Section 6.13. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such directors. For purposes of this section only, "all members of the Board" does not include any "interested directors" as defined in Section 5233 of the California Corporations Code.

Section 6.14. Fees and Compensation. Directors and members of committees may receive such reasonable compensation, if any, for their services, and such reasonable reimbursement for expenses, as may be fixed or determined by resolution of the Board of Directors.

ARTICLE 7: COMMITTEES

Section 7.01. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees, each of which shall consist of two or more directors and may also include members who are not on the Board of Directors, to serve at the pleasure of the Board. The Board may designate one or more alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. Any committee that includes voting members who are not on the Board of Directors may not be delegated the authority or the power of the Board of Directors. Any committee whose voting members consist only of directors, to the extent of the powers specifically delegated in the resolution of the Board of Directors or in these Bylaws, may have all or a portion of the authority of the Board of Directors, except that no committee, regardless of Board resolution, may:

- (a) Approve any action that, under the California Non profit Corporation Law, also requires the affirmative vote of the members of a public benefit corporation.
- (b) Fill vacancies on the Board of Directors or in any committee that has the authority of the Board.
- (c) Fix compensation of the directors for serving on the Board or any committee.
- (d) Amend or repeal the articles of incorporation or bylaws or adopt new bylaws.
- (e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- (f) Appoint any other committees of the Board of Directors or the members of such committees.
- (g) Approve 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; or revoke any such plan.
- (h) Approve any transaction between the corporation and one or more of its directors in which the director or directors have a material financial interest, except as provided by Section 5233 of the California Corporations

Code.

- (i) Bind the corporation in a contract or agreement exceeding the amount of \$10,000.

Section 7.02. Meetings and Actions of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 6 of these Bylaws, concerning meetings and actions of directors, with such change in the context of those Bylaws 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 not inconsistent with the provisions of these Bylaws for the government of any committee.

Section 7.03. Executive Committee. Pursuant to Section 7.01, the board may appoint one or more directors, one of whom shall be the Chairperson of the Board, to serve as the Executive Committee of the Board. The Executive Committee, unless limited in a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the corporation between meetings of the Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Section 7.01. The Secretary of the Corporation shall send to each director a summary report of the business conducted at any meeting of the Executive Committee.

ARTICLE 8: OFFICERS

Section 8.01. Officers. The officers of the corporation shall consist of the Chairperson of the Board, Vice-Chairperson of the Board, President, the Secretary, and the Treasurer, and each of them shall be appointed by the Board of Directors. The Chairperson and Vice-Chairperson shall be directors; other officers may, but need not, be directors. The Board of Directors shall designate one officer as the chief financial officer of the corporation. In the absence of such designation, the Treasurer shall be the chief financial officer. Any two or more offices may be held by the same person, except that neither the Secretary nor the chief financial officer may serve concurrently as either the President or Chairperson of the Board. The Board of Directors may appoint, and may empower the Chairperson of the Board, the President or another officer to appoint, such other officers as the activities of the corporation may require, each of whom shall have such authority and perform such duties as are

provided by these Bylaws or as the Board of Directors may from time to time determine.

All officers of the corporation shall hold office from the date appointed to the date of the next succeeding annual meeting of the Board of Directors, and until the successors to such officers are elected and qualified; provided that all officers, as well as any other employee or agent of the corporation, may, subject to any claim for breach of contract based on any contractual agreements between any such person and the corporation, be removed at any time at the pleasure of the Board of Directors, or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors, and upon the removal, resignation, death, or incapacity of any officer, the Board of Directors, The Chairperson of the Board, the President or any other officer in cases where the Chairperson of the Board, the President or other officer has been vested by the Board of Directors with power to appoint, may declare such office vacant and fill such vacancy.

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

The salary and other compensation of the officers shall be fixed from time to time by resolution of or in the manner determined by the Board of Directors.

Section 8.02. Duties of the Chairperson of the Board. The Chairperson of the Board shall, when present preside at all meetings of the Board of Directors and Executive Committee and shall perform all the duties commonly incident to that office. The Chairperson of the Board shall have authority to execute in the name of the corporation all bonds, deeds, leases, and other written instruments to be executed by the corporation (except when by law the signature of the President is required), and shall perform such other duties as the Board of Directors may from time to time determine.

Section 8.03. Duties of the Vice-Chairperson of the Board. The Vice-Chairperson of the Board shall possess the powers and discharge the duties of the Chairperson in the latter's absence or disability.

Section 8.04. Duties of the President. The President shall function as the General Manager and Chief Executive Officer of the corporation, and shall manage the corporation in

administering the conduct of its business. Where appropriate, the Board of Directors shall place the President under contract of employment. The President shall be responsible to and governed by the Board of Directors, shall report to and advise the Board on all significant matters of the corporation's business, and shall see that all of the orders and resolutions of the Board are carried into effect. The President shall be empowered to act, speak for or otherwise represent the corporation between meetings of the Board within the boundaries of policies and purposes established by the Board and as set forth in the articles of incorporation and bylaws. The President shall be responsible for the hiring and firing of all personnel other than the officers elected by the Board, and shall be responsible for keeping the Board informed at all times of staff performance as related to program objectives, and for implementing any personnel policies adopted by the Board. The President is authorized to contact, receive, deposit, disburse, and account for funds of the corporation in fulfillment of the corporation's objectives; to execute in the name of the corporation all bonds, contracts, deeds, leases, and other written instruments to be executed by the corporation; and to negotiate all material business transactions of the corporation.

Section 8.05. Duties of the Secretary and Assistant Secretaries. The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place as the Board of Directors may order, a book of minutes of actions taken at all meeting of directors and committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

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

Section 8.06. Duties of the Treasurer and Assistant Treasurers. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall deposit or cause to be deposited all moneys 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. The Treasurer shall disburse or cause to be disbursed the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and directors,

whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

If required by the Board of Directors, the Treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for the faithful performance of the duties of the Treasurer's office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in the Treasurer's possession or under the Treasurer's control on the Treasurer's death, resignation, retirement, or removal from office. The corporation shall pay the cost of such bond.

ARTICLE 9: INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES,
AND OTHER AGENTS OF THE CORPORATION;
PURCHASE OF LIABILITY INSURANCE

Section 9.01. Indemnification. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238(a) of the California Nonprofit Public Benefit Corporation Law, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in said Section 5238(a), and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses" shall have the same meaning as in said Section.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification in defending any "proceeding" shall be advanced by the corporation before final disposition of that proceeding upon receipt by the corporation of an undertaking by or on behalf of that person to repay such amounts unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

Section 9.02. Insurance. The corporation shall have the power to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by such persons in such capacity or arising out of the person's status as such.

ARTICLE 10: EXECUTION OF CORPORATE INSTRUMENTS,
AND VOTING STOCKS AND MEMBERSHIPS HELD BY THE CORPORATION

Section 10.01. Execution of Corporate Instruments. The Board of

Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the corporation.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the corporation, promissory notes, deeds of trust, mortgages, and other evidences of indebtedness of the corporation, and other corporate instruments or documents, and certificates of shares of stock owned by the corporation, shall be executed, signed, or endorsed by the Chairperson of the Board, Vice-Chairperson of the Board or the President and by the Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer.

All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation, or in special accounts of the corporation, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

Section 10.02. Voting of Stocks Owned by Corporation. All stock of other corporations or memberships in other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect to such stock or memberships shall be executed, by the person authorized to do so by resolution of the Board of Directors, or in the absence of such authorization, by the Chairperson of the Board, the Vice-Chairperson of the Board, the President, or by any other person authorized to do so by the Chairperson of the Board or the President.

ARTICLE 11: ANNUAL REPORT TO DIRECTORS

The corporation shall provide to the directors no later than 120 days after the close of its fiscal year, a report containing the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.
- (e) Any information required by Section 6322 of the

California Corporations Code concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

The report shall be accompanied by any pertinent report of independent accountants, or if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

ARTICLE 12: MAINTENANCE AND INSPECTION OF CORPORATE RECORDS

Section 12.01. Maintenance and Inspection of Articles and Bylaws. The corporation shall keep at its principal executive office the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours.

Section 12.02. Maintenance and Inspection of Other Corporate Records. The accounting books, records and minutes of proceedings of the Board of Directors and any committees of the corporation shall be kept at such place or places designated by the Board of Directors, or in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept either in written or typed form, and the accounting books and records shall be kept either in written, typed form or in any other form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the corporation shall turn over to his successor or the President, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the corporation as have been in the custody of such officer, employee, or agent during his term of office.

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 subsidiary corporations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

ARTICLE 13: CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS

Section 13.01. 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 or (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 (i) the material facts concerning the contract or

transaction and such director's or officer's financial interest or common directorship are fully disclosed in good faith and are noted in the minutes, or are known to all members of the board prior to consideration by the board of such contract or transaction; (ii) such contract or transaction is authorized or approved in good faith by a majority of the board by a vote sufficient for that purpose without counting the vote of such interested directors or officers; (iii) prior to authorizing or approving the contract or transaction, the board considers and in good faith determines after reasonable investigation under the circumstances that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances or that the contract or transaction implements a charitable program of this corporation; (iv) this corporation enters into the contract or transaction for its own benefit; and (v) the contract or transaction is fair and reasonable to this corporation or implements a charitable program of the corporation at the time the contract or transaction is entered into.

A director or officer of this corporation shall not be deemed to have a "material financial interest" in a contract or transaction that implements a charitable program of this corporation solely because such a contract or transaction results in a benefit to a director or officer or their families by virtue of their membership in the class of persons intended to be benefitted by the charitable program of this corporation, as long as the contract or transaction is approved or authorized by the corporation in good faith and without unjustified favoritism.

Section 13.02. Loans to Directors and Officers. The corporation shall not make any loan of money or property to or guarantee the obligation of any director or officer, unless approved by the Attorney General 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 the loan or guaranty.

Section 13.03. Mutual Directors. No contract or other transaction between the corporation and any California nonprofit public benefit corporation of which one or more of its directors are directors of this corporation is either void or voidable because such director(s) are present at a meeting of the board which authorizes, approves, or ratifies the contract or transaction if the material facts as to the transaction and as to such director's other directorship are fully disclosed or known to the board and the board authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director(s), or if the

contract or transaction is just and reasonable as to the corporation at the time it is authorized, approved or ratified.

ARTICLE 14: FISCAL YEAR

The fiscal year of the corporation shall run from January 1 through December 31 of each year.

ARTICLE 15: CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person. If any competent court of law shall deem any portion of these Bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these Bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

ARTICLE 16: AMENDMENTS

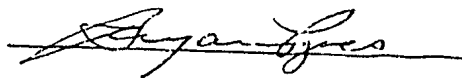
These Bylaws may be adopted, amended or repealed by the vote of a majority of the directors present at a meeting duly held at which a quorum is present. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed Bylaw revisions with explanations therefor, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the currently elected and acting Secretary of THE LEICHTAG FAMILY FOUNDATION, a California nonprofit corporation, and the above Bylaws, consisting of 15 pages, are the Bylaws of this corporation as adopted at a meeting of the Board of Directors held on May 15, 1991.

Dated: May 15, 1991

Executed at Carlsbad, California.



BENJAMIN PYNES
ATTORNEY AT LAW

7682 EL CAMINO REAL, SUITE 208, CARLSBAD, CALIFORNIA 92009
TELEPHONE 619/942-0058

RECEIVED
SEP 13, 1991

September 11, 1991

Internal Revenue Service
2 Cupania Circle
Monterey Park, CA 91754-7406

Attn: Carol Mochizuki
Exempt Organization Specialist

Re: The Leichtag Family Foundation
Employer I.D. # 33-0466189
Case # 951225032

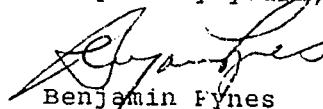
Gentlemen:

This letter will confirm my telephone conversation with Carol Mochizuki wherein I responded to the following questions posed by your letter of August 23, 1991:

1. The Leichtag Family Foundation is a private non-operating foundation.
2. The Leichtag Family Foundation will not make scholarship grants and will not have a scholarship program.
3. All funds will be used for grants to other organizations and none for scholarships.

If you have any other questions please direct them to the undersigned.

Very truly yours,


Benjamin Fynes