

BYLAWS
OF
READING LEGACIES
a California nonprofit public benefit Corporation

ARTICLE 1
Offices

1.1 Principal Office. The principal administrative office for the transaction of the business of the Corporation shall be located at 15009 Caminito Ladera, Del Mar, California. The Board of Trustees is hereby granted full power and authority to establish the location of the principal office and to change such location from time to time.

1.2 Other Offices. Branch or subordinate offices may at any time be established by the Board of Trustees at any place or places where the Corporation is qualified to do business.

ARTICLE 2
Purposes

2.1 Purpose. The Corporation is a California nonprofit public benefit Corporation and is not organized for the private gain of any person. It is organized and will be operated solely for charitable purposes. The specific purpose of this Corporation is to offer community outreach services which empower youth as role models and volunteers through activities promoting a love of reading in all ages through read-aloud programs.

2.2 Limitations. The Corporation is a nonprofit, nonsectarian, nonracial, nonpolitical organization. The property of the Corporation is irrevocably dedicated to charitable purposes; and no part of the net earnings, contributions, or assets of the Corporation shall inure to the benefit of, or be distributable to its Trustees, Officers, or other private persons. The foregoing shall not preclude the Corporation from paying reasonable compensation for services rendered or from making payments and distributions in furtherance of the purposes set forth in the Articles and otherwise in these Bylaws. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation. The Corporation shall not participate or intervene in any political campaign (including the publication or distribution of statements) on behalf of any candidate for public office.

ARTICLE 3
Membership

3.1 Voting Class of Membership. There shall be no members. The persons who from time to time comprise the Board of Trustees shall be and have all rights of “members” within the meaning of California Corporations Code Section 5056.

3.2 Other Classes of Membership. The Board of Trustees may, by appropriate resolution from time to time, establish another class or other classes of Members for the Corporation. None of

such other class or classes of Members, nor the constituents thereof, shall be or have the rights and privileges of voting for statutory Members as defined in Section 5056 of the California Nonprofit Public Benefit Corporation Law of the State of California. The privileges, rights and duties of such other class or classes of Members shall be as provided by the Board of Trustees, subject to the terms of these Bylaws, as amended from time to time. The Board may determine from time to time an initial Membership fee, and set such fees, dues and assessments for Membership in the Corporation as the Board, in its discretion, may determine. The Board of Trustees may thereby confer specified rights on the Members except as otherwise specified in the Corporation's Articles of Incorporation or Bylaws.

3.3 Nonliability. No Member shall be personally liable for the debts, liabilities, or obligations of the Corporation.

3.4 Fellows and Nominal "Members". Nothing in this Article 3 shall be construed as limiting the right of the Corporation to refer to persons or entities associated with it as "Fellows" or nominal "members" even though such persons or entities are not Members as defined in Section 3.1 above, and no such reference shall constitute anyone a Member, within the meaning of California Corporations Code Section 5056 or the forgoing provisions of this Article 3, unless such person or entities shall have been approved for membership as set forth in Section 3.1 above. The privileges, rights, and duties of such Fellows or nominal members shall be as provided by the Board of Trustees, subject to the terms of these Bylaws as amended from time to time.

ARTICLE 4 Board of Trustees

4.1 Powers. Subject to the limitations of the Articles of Incorporation, of the Bylaws, and of the Nonprofit Public Benefit Corporation Law of the State of California, and subject to the duties of Trustees as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Trustees. Without limiting the foregoing, the Board of Trustees shall have the power to levy dues and assessments, to select and remove all Officers, agents, employees and contractors, and to fix reasonable compensation therefore, to authorize and empower Officers or agents to enter into contracts and other commitments on behalf of the Corporation, and to appoint and delegate responsibilities and authority to Committees, Officers, and agents.

4.2 Number of Trustees. The Board of Trustees shall consist of not less than three (3) but not more than nine (9) Members until changed by an amendment to these Bylaws. The Trustees shall be elected as set forth in section 4.3.

4.3 Election; Term of Office. The Members of the Board of Trustees shall be elected annually by the Board of Trustees, unless sooner removed by the Board of Trustees. Trustees shall serve for an annual term expiring on the date of the next annual meeting. Persons elected as a Trustee may be re-elected as a Trustee for an unlimited number of consecutive terms.

4.4 Vacancies. Vacancies in the Board of Trustees shall be filled by action of the Board of Trustees, subject to Section 4.3. A vacancy or vacancies shall be deemed to exist in the case of the death, resignation or removal of any Trustee, or if the authorized number of Trustees be increased without election of the additional Trustees so provided for, or in case of the failure at any time to elect the full number of authorized Trustees, or if any Trustee fails to attend three (3) consecutive meetings of the Board without excuse; provided, however, that except upon notice to the Attorney General, no Trustee may resign where the Corporation would be left without a duly elected Trustee in charge of its affairs.

4.5 Chairman of the Board. The chairman of the board shall preside at all meetings of the Board of Trustees and, subject to these Bylaws, shall exercise such other powers and perform such other duties as may from time to time be prescribed by the Board of Trustees.

4.6 Place of Meeting. All meetings of the Board of Trustees may be held at any place within or without the State, which has been designated from time to time by resolution of the Board or by the written consent of a majority of the Trustees.

4.7 Organization Meetings. Not less frequently than annually, the Trustees shall hold a regular meeting for the purpose of electing Trustees, organizing the Board, electing Officers, and transacting such business as may come before the meeting. Pending such organizational meeting, all Officers of the Corporation shall continue to hold their respective positions as Officers of the Corporation. Unless otherwise changed by the Board, the annual organizational meeting shall be held at the principal office of the Corporation at 10:00 a.m. Pacific Standard Time on the second Wednesday of June of each year.

4.8 Other Regular Meetings. Other regular meetings of the Board of Trustees shall be held approximately monthly, or on such other periodic basis as may be specified and noticed by the Board of Trustees or the Chief Executive Officer of the Corporation.

4.9 Special Meetings. Special meetings of the Board of Trustees for any purpose may be called at any time by the Chief Executive Officer or by any two (2) Trustees.

4.10 Notice of Meetings. Notice of the time and place of each meeting of the Board of Trustees not fixed by an express provision of the Bylaws or by a standing Resolution of the Board of Trustees shall be given to each Trustee not less than forty-eight (48) hours before the date of the meeting if given personally or by telephone or electronic mail and not less than four (4) days before the date of the meeting if given by first-class mail.

4.11 Consent to Meetings. The transactions of the Board of Trustees at any meeting however called and noticed or wherever held, shall be as valid as though done at a meeting duly held after call and notice if a quorum be present and if either before or after the meeting each Trustee not present signs a written waiver of notice, or a consent to the holding of such meeting or approval of the minutes thereof, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Trustee. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

4.12 Action Without Meeting. Any action required or permitted to be taken by the Board of Trustees under any provision of the Nonprofit Public Benefit Corporation Law of the State of California may be taken without a meeting if all Members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Trustees. Any certificate or other document filed under any provision of the Nonprofit Public Benefit Corporation Law of the State of California which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Trustees without a meeting, and that the Bylaws authorize the Trustees to so act. For the purposes of this section only, “all Members of the Board” shall not include any “Interested Trustees” as defined in Section 4.21.

4.13 Telephonic and Electronic Communication Meetings. Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting pursuant to this Section 4.12 constitutes presence in person at that meeting if all of the following apply:

4.13.1 Each Member participating in the meeting can communicate with all of the other Members concurrently;

4.13.2 Each Member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and;

4.13.3 The Corporation adopts and implements some means of verifying both of the following:

4.13.3.1 A person communicating by telephone, electronic video screen, or other communications equipment is a Trustee entitled to participate in the board meeting; and

4.13.3.2 All statements, questions, actions, or votes were made by that Trustee and not by another person not permitted to participate as a Trustee.

4.14 Quorum. A majority of the authorized number of Trustees shall constitute a quorum for the transaction of business, except to adjourn. In the case where, by resolution, the authorized number of Trustees is established, a majority of the number of Trustees authorized by resolution shall constitute a quorum for the transaction of business, except to adjourn. In the case where, owing to death, incapacity, or resignation, the number of Trustees then serving is less than a majority of the authorized number of Trustees, then the majority of the Trustees then serving shall constitute a quorum for the transaction of business, except to adjourn.

4.14.1 Every action taken or decision made by a majority of the Trustees present at a meeting duly held at which a quorum is present shall be the act of the Board of Trustees, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions related to (a) approval of

contracts or transactions in which a Trustee has a direct or indirect material financial interest, (b) approval of certain transactions between Corporations having common Trusteeships, (c) creation of and appointments to Committees of the board, and (d) indemnification of Trustees. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Trustees, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

4.15 Adjournment. A majority of the Trustees present, whether or not a quorum is present, may adjourn any Trustees' meeting to meet again at another time or place. In the event a meeting of the Board of Trustees 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 Trustees who were not present at the time of the adjournment.

4.16 Fees and Compensation. Trustees shall be entitled to reimbursement of expenses incurred on behalf of the Corporation. Trustees and Members of Committees may receive such compensation, if any, for their services and such reimbursement for expenses as may be fixed or determined by resolution of the Board of Trustees; provided that such compensation shall be just and reasonable as to the Corporation at the time the resolution is adopted. Nothing herein shall preclude any Trustee from serving the Corporation in any other capacity, including as an Officer, agent, employee or otherwise, and receiving reasonable compensation therefor.

4.17 Nonliability of Trustees and Certain Officers.

4.17.1 Volunteer Trustees. Pursuant to Section 5239 of the Nonprofit Public Benefit Corporation Law of the State of California, there shall be no personal liability to a third party on the part of a volunteer Trustee or volunteer Chief Executive Officer, Chairman of the Board, Vice-President, Secretary, Chief Financial Officer or other Officer of this Corporation caused by the Trustee's or Officer's negligent act or omission in the performance of that person's duties as a Trustee or Officer, if all the following conditions are met:

4.17.1.1 The act or omission was within the scope of the Trustee's or Officer's duties;

4.17.1.2 The act or omission was performed in good faith;

4.17.1.3 The act or omission was not reckless, wanton, intentional, or grossly negligent;

4.17.1.4 The Corporation has complied with the requirements of section 4.17.2 below.

This limitation on the personal liability of a volunteer Trustee or Officer does not limit the liability of the Corporation for any damages caused by acts or omissions of a volunteer Trustee or volunteer Officer, nor does it eliminate the liability of a Trustee or Officer provided in Section 5233 or 5237 of the Nonprofit Public Benefit Corporation Law of the State of California in any action or proceeding brought by the Attorney General.

4.17.2 Requirement to Obtain Liability Insurance. In order to obtain the full benefit of the limitation of liability set forth in section 4.17.1 above, the Corporation and the Trustees shall make all reasonable efforts in good faith to obtain liability insurance in the form of a general liability policy for the Corporation or a Trustee's and Officer's liability policy.

4.17.3 Paid Trustees and Officers. Any Trustee or Officer who receives compensation by the Corporation for acting in his or her capacity as a Trustee or an Officer, as the case may be, shall have no liability based upon any alleged failure to discharge such person's obligations as a Trustee, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated, (i) so long as such compensated Trustee or Officer complies with the provisions of these Bylaws, and (ii) except as provided in Section 5233 of the Nonprofit Public Benefit Corporation Law of the State of California.

4.18 Indemnity for Litigation. The Corporation hereby agrees to exercise the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Trustee, Officer, employee, or other agent (as defined in Section 5238 of the Nonprofit Public Benefit Corporation Law of the State of California) of the Corporation, to the full extent allowed under the provisions of said Section 5238 relating to the power of a Corporation to indemnify any such person. The amount of such indemnity shall be so much as the Board of Trustees determines and finds to be reasonable, or, if required by said Section 5238, the amount of such indemnity shall be so much as the court determines and finds to be reasonable.

4.19 Interested Persons. Pursuant to Section 5227 of the Nonprofit Public Benefit Corporation Law of the State of California, no more than forty-nine percent (49%) of the Trustees serving on the Board may be "Interested Persons." For the purposes of this section, "Interested Persons" means either (i) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Trustee as Trustee; or (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person. The provisions of this Section shall not affect the validity or enforceability of any transaction entered into by the Corporation.

4.20 Standard of Conduct. Pursuant to Section 5231 of the California Nonprofit Public Benefit Corporation Law, a Trustee shall perform the duties of a Trustee, including duties as a Member of any Committee of the Board upon which the Trustee may serve, in good faith, in a manner such Trustee believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports or statements including financial statements and other financial data, in each case prepared or presented by:

4.20.1 One or more Officers or employees of the Corporation whom the Trustee believes to be reliable and competent in the matters presented;

4.20.2 Counsel, independent accountants, or other persons as to matters which the Trustee believes to be within such person's professional or expert competence; or

4.20.3 A committee upon which the Trustee does not serve that is composed exclusively of any or any combination of Trustees, persons described in Section 5231, paragraph (1), or persons described in Section 5231 paragraph (2), as to matters within the committee's designated authority, which committee the Trustee believes to merit confidence, so long as, in any case, the Trustee acts in good faith, after reasonable inquiry.

In any such case, the Trustee shall be entitled to so rely if the Trustee acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

4.21 Self-Dealing Transactions. Pursuant to Section 5233 and except as provided in Section 5233 of the Nonprofit Public Benefit Corporation Law of the State of California, the Corporation shall not be a party to a transaction in which one or more of its Trustees has a material financial interest ("Interested Trustee") unless:

4.21.1 Approval by Attorney General. The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

4.21.2 Prior Approval by Board. The following facts are established:

4.21.2.1 The Corporation entered into the transaction for its own benefit;

4.21.2.2 The transaction was fair and reasonable as to the Corporation at the time the Corporation entered into the transaction;

4.21.2.3 Prior to consummating the transaction or any part thereof the Board authorized or approved the transaction in good faith by a vote of a majority of the Trustees then in office without counting the vote of the Interested Trustee or Trustees, and with the knowledge of the material facts concerning the transaction and the Trustee's interest in the transaction; or

4.21.3 Preliminary Approval by Authorized Committee or Person and Subsequent Approval by the Board. The following facts are established:

4.21.3.1 A Committee or person authorized by the Board approved the transaction in a manner consistent with the standards set forth in section 4.20.2, above;

4.21.3.2 It was not reasonably practical to obtain the approval of the Board prior to entering into the transaction; and

4.21.3.3 The Board, after determining in good faith that the conditions of subsections 4.20.3.1 and 4.20.3.2 were satisfied, ratified the transaction at the

Board's next meeting by a vote of a majority of the Trustees then in office without counting the vote of the Interested Trustee or Trustees.

In light of the foregoing limitations, all Trustees shall fill out an annual questionnaire dealing with this subject matter.

ARTICLE 5

Officers

5.1 Officers. The Officers of the Corporation shall be a Chief Executive Officer (President), Secretary, Chief Financial Officer (Treasurer), Chairman of the Board, and such other Officers, including Vice-Presidents, as the Board of Trustees may appoint. One person may hold two or more offices, except that neither the Secretary nor Chief Financial Officer may serve concurrently as the Chief Executive Officer or Chairman of the Board.

5.2 Election. The Officers of the Corporation, except such Officers as may be appointed in accordance with the provisions of Section 5.4, shall be chosen annually by the Board of Trustees, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

5.3 Removal and Resignation. Any Officer may be removed, either with or without cause, by the Board of Trustees at any regular or special meeting thereof. Any Officer may resign at any time by giving written notice to the Board of Trustees, or to the Chief Executive Officer, or to the Secretary of the Corporation. 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.

5.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

5.5 Chairman of the Board. The Chairman of the Board shall preside at meetings of the Board of Trustees and exercise and perform such other powers and duties as may be prescribed from time to time to him or her by the Board of Trustees. If there is no Chief Executive Officer, the Chairman of the Board shall, in addition, be the Chief Executive Officer of the Corporation and shall have the powers and duties prescribed in Section 5.6 of this Article.

5.6 Chief Executive Officer (President). The Chief Executive Officer shall also be known as the President. Subject to the control of the Board of Trustees, the Chief Executive Officer shall have general supervision, direction and control of the business and affairs of the Corporation. He or she shall serve as an ex officio Member of all Board Committees, and shall have such other powers and duties as may be prescribed from time to time by the Board of Trustees.

5.7 Vice-President. In the absence or disability of the Chief Executive Officer, the Vice-President shall perform all of the duties of the Chief Executive Officer and in so acting shall have all of the powers of the Chief Executive Officer. The Vice-President shall have such other

powers and duties as may be prescribed from time to time by the Board of Trustees.

5.8 Secretary. The Secretary shall keep a full and complete record of the proceedings of the Board of Trustees, shall keep the seal of the Corporation and affix it to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of the Corporation, shall deliver the annual statement required by Section 7.6 to the Members, and shall have such other powers and duties as may be prescribed from time to time by the Board of Trustees.

5.9 Chief Financial Officer (Treasurer). The Chief Financial Officer shall also be known as the Treasurer. The Chief Financial Officer shall receive and safely keep all funds of the Corporation and deposit them with such depositories as may be designated by the Board of Trustees. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Trustees, shall render to the Chief Executive Officer and Trustees, whenever they request it, an account of all his or her transactions as Chief Financial Officer, and of the financial condition of the Corporation, and shall have such other powers and duties as may be prescribed from time to time by the Board of Trustees.

ARTICLE 6 Committees

6.1 Appointment of Committees. The Board of Trustees may appoint an Executive Committee, and shall appoint an Audit Committee, a Compensation Committee, and such other standing or special ad hoc Committees as the Board from time to time deems necessary or appropriate to conduct the business and further the objectives of the Corporation. The appointment by the Board of an Executive Committee and any other Committee having the authority of the Board shall be by resolution adopted by a majority of Trustees then in office. The Executive Committee and any other Committee having authority of the Board shall consist of two (2) or more Trustees. Any Committee having authority of the Board shall not include as members persons who are not Trustees. However, the Board may also create other committees that do not exercise the authority of the Board and these other committees may include persons who are not Trustees.

6.2 Powers and Authority of Executive Committee. The Board of Trustees may delegate to the Executive Committee or any other Committee having the authority of the Board, any of the powers and authority of the Board of Trustees in the management of the business and affairs of the Corporation, except the following:

6.2.1 The approval of any action for which the Nonprofit Public Benefit Corporation Law of the State of California also requires the approval of Members of a Corporation, in which event the approval of the Board shall be required.

6.2.2 The filling of vacancies on the Board or in any Committee which has the authority of the Board.

6.2.3 The fixing of compensation of the Trustees for serving on the Board or on any Committee.

6.2.4 The amendment or repeal of Bylaws or the adoption of new Bylaws.

6.2.5 The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.

6.2.6 The appointment of Committees of the Board having the authority of the Board, or the Members thereof.

6.2.7 The approval of any self-dealing transaction, except as permitted in Section 4.20 of these Bylaws.

6.3 Audit Committee. In every fiscal year in which line 12 of its IRS Form 990, or line 12(a) of its IRS Form 990PF, exceeds or is expected to exceed Two Million Dollars (\$2,000,000), the Board of Trustees shall appoint one (1) or more of persons to constitute an Audit Committee and shall delegate to such Audit Committee any of the powers and authorities of the Board in the management of the business and affairs of the corporation as is required by law and such other duties and authority as is provided herein. Without limitation of the forgoing, the Audit Committee:

- A. Shall recommend to the Board of Trustees the retention and termination of the independent auditor;
- B. May negotiate the compensation of the auditor on behalf of the Board;
- C. Shall confer with the auditor to satisfy the committee members that the financial affairs of the charitable organization are in order;
- D. Shall review and determine whether to accept the audit; and
- E. Shall approve performance of any nonaudit services by the auditing firm.

The Audit Committee may include non-board members. The Audit Committee may not include the Chief Executive Officer, President, Treasurer, Chief Financial Officer, employees of the corporation, or any person who has a material financial interest in any entity doing business with the corporation. 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.

6.4 Compensation Committee. In accordance with California Government Code Section 12586(g), the Board of Trustees shall either appoint a Compensation Committee, or itself from time-to-time set as and itself serve as the Compensation Committee. The Compensation Committee shall review and approve the compensation, including benefits, of the chief executive officer or chief financial officer, to assure that each is just and reasonable. As to each of such officers, such review of an officer's compensation shall occur initially upon the hiring of such officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever such officer's compensation is modified. Separate review and approval shall not be

required if the only modification of compensation is a modification extended to substantially all employees.

ARTICLE 7 Miscellaneous

7.1 Fiscal Year. The fiscal year of the Corporation shall end on the last day of December of each year.

7.2 Inspection of Corporate Records. The books of account and minutes of the proceedings of Members and Trustees, and of any Executive Committee or other Committees of the Trustees, shall be open to inspection at any reasonable time upon the written demand of any Trustee. Such inspection may be made in person or by an agent or attorney, and shall include the right to make photocopies and extracts.

7.3 Representation of Shares of Other Corporations. Any Officer of the Corporation is authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other Corporation or Corporations standing in the name of the Corporation. The authority herein granted to said Officers may be exercised by such Officers in person or by other persons authorized to do so by proxy duly executed by such Officers.

7.4 Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and any and all securities owned by or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Trustees.

7.5 Execution of Contracts. The Board of Trustees may authorize any Officer, or Officers, agent, or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Corporation; and such authority may be general or confined to specific instances. Unless so authorized by the Board of Trustees, 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 render it liable for any purpose or in any amount. Provided, that pursuant to Section 5214 of the Nonprofit Public Benefit Corporation Law of the State of California, any such contract or instrument between the Corporation and any third person, when signed by the Chief Executive Officer or any Vice-President, Chairman of the Board and the Secretary or Chief Financial Officer of the Corporation, shall be valid and binding upon the Corporation in the absence of actual knowledge on the part of said third person that the signing Officers had no authority to execute the same.

7.6 Annual Statement of Certain Transactions and Indemnifications. Pursuant to Section 6322 of the Nonprofit Public Benefit Corporation Law of the State of California, the Board of Trustees shall cause an annual statement of the transactions and indemnifications specified in Section 6322 to be delivered to the Members not later than one hundred twenty (120) days after the close of the fiscal year. If the Corporation issues an annual report, this requirement shall be satisfied by including the required information in said annual report.

7.7 Corporate Loans, Guarantees and Advances. The Corporation shall not make any loan of money or property to or guarantee the obligation of any Trustee or Officer, except as is expressly allowed under Section 5236 of the Nonprofit Public Benefit Corporation Law of the State of California.

7.8 Public Inspection and Disclosure. The Corporation shall have available for public inspection at its principal office a copy of its three (3) most recent annual exempt organization information returns and a copy of its application for recognition of exemption. In addition, in the event that the Corporation provides services or information to the public for a fee, and such services or information are available from the federal government free of charge or for a nominal cost, such availability shall be conspicuously disclosed in an easily recognizable format in any solicitation or offer by the Corporation.

7.9 Political Activities. The Corporation shall refrain from any intervention in any political campaign on behalf of, or in opposition to, a candidate. The Corporation shall not make any political expenditure or lobbying expenditure which will result in the loss of, or otherwise adversely affect, its status as a tax-exempt organization under the Internal Revenue Code of 1986, as amended.

ARTICLE 8
Effective Date and Amendments

8.1 Effective Date. These Bylaws shall become effective immediately upon their adoption by the Board of Trustees.

8.2 Amendments. These Bylaws may be amended or repealed and new Bylaws adopted by the vote of the majority of the Members of the Board of Trustees then in office.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Reading Legacies.
2. That the foregoing Bylaws constitute the Bylaws of the said Corporation adopted as of _____, 2009, by resolution of the Corporation's Incorporator.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Corporation this ___ day of _____, 2009, at _____, _____.

Cheryl Lewis, Secretary