

## **BYLAWS**

OF

LOS ANGELES KART CLUB, INC.

### Article I. NAME, SEAL AND OFFICERS

Section 1. NAME. The name of the Corporation is Los Angeles Kart Club, Inc.

Section 2. SEAL. The Corporation shall have a seal, and shall have inscribed thereon the name of the Corporation, the date of its incorporation and the word California as follows:

Section 3. OFFICES. The principal office of the Corporation shall be in the City of Santa Monica, County of Los Angeles, State of California. The Corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the purposes of the Corporation may require.

### **Article II. MEMBERS**

The Corporation shall have one class of membership. The members shall have not have a vote in the affairs of the Corporation and shall have no ownership interest in the Corporation or its assets. The members are subject to the rules and regulations governing the general use of the Corporation and the members shall have the following rights:

a) Each member shall be entitled to entry fee discounts for each event;

- b) Each member shall be eligible for awards at each event and year end awards.
  
- c) Each member may compile "points" toward a club championship in each year of membership.

### **Article III. DIRECTORS**

Section 1. Subject to the provisions and limitations of the California Non-Profit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws, the Corporation's activities shall be managed, and all corporate power shall be exercised, by or under the direction of the Board.

Section 2. NUMBER. The authorized number of Directors shall be three (3). The number of authorized Directors may be increased or decreased by amendment to these Bylaws as set forth in Article XV. If the number of Directors is decreased by amendment, each incumbent Director shall serve until his or her term expires, he or she resigns, or is removed as provided herein.

Section 3. ELECTION. The Directors shall elect their successors either at the annual meeting, at a special meeting, or by unanimous written consent, to serve until the next annual meeting,

Section 4. VACANCIES ON THE BOARD. A vacancy or vacancies on the Board shall exist on the occurrence of the following:

- (a) The death or resignation of any Director;
  
- (b) The declaration by resolution of the Board of a vacancy in the office of the Director who has been declared of unsound mind by an order of the court, convicted of a felony, or found by final order or judgment of any court, to have breached a duty under Article III of Chapter 2 of the California Non-Profit Public Benefit Corporation Law;

(c) Removal of a Director by a majority vote of the members of the Board; or

(d) An increase of the authorized number of Directors.

Section 5. RESIGNATIONS. Except as provided below, any Director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If the Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no Director may resign if the Corporation would be left without a duly elected Director.

Section 6. FILLING VACANCIES. Any vacancy on the Board of Directors may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director.

## **DIRECTORS' MEETINGS**

Section 7. PLACE OF MEETINGS. Meetings of the Board shall be held at any place within or outside California that has been designated by resolution of the Board or in the notice of the meeting or if not so designated, at the principal office of the Corporation.

Section 8. MEETINGS BY TELEPHONE. Any meeting may be held by conference telephone or similar communication equipment, as long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present, in person, at such a meeting.

Section 9. ANNUAL MEETING. An annual meeting of the members of the Board shall be held at the principal office of the Corporation on the second Monday of January of each year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day for the purpose of electing officers and transacting other business. Notice of this meeting is not required.

Section 10. OTHER REGULAR MEETINGS. Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time.

Section 11. SPECIAL MEETINGS.

Subsection 1. AUTHORITY TO CALL. Special meetings of the Board of Directors may be called by the President or Secretary and must be called by either of them on the written request of any two members of the Board.

Subsection 2. NOTICE. Notice of all special meetings of Directors, except as herein otherwise provided, shall be given by mail at least seven (7) days, or by telegraph at least three (3) days before the meeting, to the usual business or residence address of the Director, but such notice may be waived by any Director.

Section 12. MEETINGS WITHOUT NOTICE. Any business may be transacted at any Directors' meeting at which every Director shall be present even though without any notice or waiver thereof.

Section 13. ENTRY OF NOTICE. Whenever any Director has been absent from any special meeting of the Board of Directors, an entry in the minutes to effect that notice has been duly given shall be sufficient evidence that due notice of such a special meeting was given to such Director, as required by law and the Bylaws of the Corporation.

Section 14. WAIVER OF NOTICE. The transactions of any meeting of the Board or Directors however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present sign a written waiver of notice or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 15. **ADJOURNMENT.** A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated time, place, and hour, provided, however, that, in the absence of a quorum, the Directors present at any Directors' meeting, either regular or special, may adjourn from time to timer or until the time fixed for the next regular meeting of the Board.

Section 16. **NOTICE OF ADJOURNMENT.** Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be determined and fixed at the meeting adjourned.

Section 17. **ACTION WITHOUT MEETING.** Any action required or permitted to be taken by the Board of Directors under any provision of law or these Bylaws 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 Directors. Any certificate or other document filed under any provision of the California Corporations Code 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 Directors without a meeting, and that the Bylaws authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

Section 18. **CHAIRMAN.** At all meetings of the Board of Directors, the President, or in his/her absence a Chairman chosen by the Directors present, shall preside.

Section 19. **QUORUM.** At all meetings of the Board of Directors, a majority of the Directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by these Bylaws. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time without further notice to any absent director.

Section 20. **COMPENSATION.** Directors shall not receive any stated salary for their services as such, but by resolution of the Board, a fixed reasonable sum or expenses of attendance, if any, or both, may be allowed for attendance at each regular or special meeting of the Board. The Board of Directors shall have power in its discretion to contract for and to pay to Directors rendering unusual or exceptional services to the Corporation special compensation appropriate to the value of such services.

Section 21. **POWERS.** All the corporate powers except such as are otherwise provided for in these Bylaws and in the laws of the State of California, shall be and are hereby vested in and shall be exercised by the Board of Directors. The Board of Directors may by general resolution delegate to committees of their own number, or to officers of the Corporation such powers as they may see fit.

Section 22. **EXECUTIVE COMMITTEE.** The Board of Directors shall appoint an Executive Committee to consist of one (1) or more Directors, and shall delegate to such committee all the powers and authority of the Board of Directors. The members of such committee must be members of the Board of Directors and shall only act in the intervals between meetings of said Board, and shall be subject at all times to the control thereof. The delegation of authority thereto shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on him or her by law. The Executive Committee shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- (1) Take any final action on any matter that comes under the California Non-Profit Public Benefit Corporation law, that also requires approval of the majority of the Board;
- (2) Fill vacancies on the Board or any committee that has the authority of the Board;
- (3) Fix compensation of the Directors for serving on the Board or any committee;
- (4) Amend or repeal Bylaws or adopt new Bylaws;
- (5) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (6) Create any other committees of the Board or appoint the members of committees of the Board;

(7) Expend corporate funds to support a nominee for Director after more people have been nominated for Director can be elected;

(8) Approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233(d) (3) of the California Corporations Code.

Section 23. MINUTES. Minutes of each meeting of the Executive Committee shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of the Executive Committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee shall adopt such rules.

#### **Article IV. OFFICERS**

Section 1. NUMBER. The officers of the Corporation shall be the CEO/President, Secretary, Chief Financial Officer, and such other officers with such powers and duties not inconsistent with these Bylaws as may be appointed and determined by the Board of Directors. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the President or the Chairman of the Board.

Section 2. ELECTION, TERM OF OFFICE AND QUALIFICATIONS. The CEO/President shall be elected annually by the Board of Directors from among their number, and the other officers shall be elected annually by the Board of Directors from among such persons as the Board of Directors may see fit, at the annual meeting of the Board of Directors.

Section 3. REMOVAL. Without prejudice to any rights of an officer under contract of employment, any officer may be removed with or without cause by the Board, and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer that power of removal.

Section 4. RESIGNATION. Any officer may resign at any time by giving written notice to the Board of Directors or to the CEO/President, 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. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract of which the officer is a party.

Section 5. CEO/PRESIDENT. The CEO/President shall preside at all meetings of the Board of Directors; shall have and exercise general charge and supervision of the affairs of the Corporation; and shall do and perform such other duties as may be assigned by the Board of Directors,

Section 6. SECRETARY. The Secretary shall have charge of such books, documents and papers as the Board of Directors may determine and shall have the custody of the corporate seal. The Secretary shall attend and keep the minutes of all meetings of the Board of Directors may sign with the President, in the name and on behalf of the Corporation, any contracts or agreements authorized by the Board of Directors, and when so authorized or ordered by the Board of Directors affix the seal of the Corporation; shall, in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned by the Board of Directors.

Section 7. CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall have the custody of all funds property and securities of the Corporation, subject to such regulations as may be imposed by the Board of Directors, The Chief Financial Officer may be required to give bond for the faithful performance of his her duties, in such sum and with such sureties as the Board of Directors may require. When necessary or proper; he or she may endorse on behalf of the Corporation for collection, checks, notes, and other obligations, and shall deposit the same to the credit of the Corporation at such bank or banks or depository as the Board of Directors may designate. The Chief Financial Officer shall sign all receipts and vouchers and, together with such other officer or officers, if any, as shall be designated by the Board of Directors, shall sign all checks of the Corporation and all bills of exchange and promissory notes issued by the Corporation, except in cases where signing and execution thereof shall be expressly designated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. He or she shall make such payments as may be necessary or proper to be made on behalf of the Corporation; shall enter regularly on the books of the Corporation to be kept by him or her for the purpose, full and accurate account of all moneys and obligations received and paid or incurred for or on account of the Corporation, and shall exhibit such books at all reasonable times to any Director on application at the offices of the Corporation. The Chief Financial Officer shall, in general, perform all of the duties incident to the office of the Chief Financial Officer subject to the control of the Board of Directors.



## **Article V. CONTRACTS**

The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount.

## **Article VI. ADVISORY COMMITTEE**

The Board of Directors may appoint from their number or from among such persons as the Board may see fit, one or more Advisory Committees, and at any time may appoint additional members thereto. The members of any such committee shall serve at the pleasure of the Board of Directors. Such Advisory Committees shall advise and aid the officers of the Corporation in all matters designated by the Board of Directors. Each committee may, subject to the approval of the Board of Directors, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.

The members of any Advisory Committee shall not receive any stated salary for their services as such, but by resolution of the Board of Directors, a fixed reasonable sum for expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such committee. The Board of Directors shall have power in its discretion to contract for and to pay to any member of an Advisory Committee, rendering unusual or exceptional services to the Corporation, special compensation appropriate to the value of such services.

If any committee has a non-director as a member, it may only act as an Advisory Committee, and may not exercise the authority of the Board in any matter.

## **Article VII. INDEMNIFICATION**

Section 1. To the fullest extent permitted by law, and to the extent that it is financially able either directly or through its insurance carrier, this Corporation shall indemnify its Directors, officers, employees, agents and representatives, 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 defined in Section 5238 (a) of the California Corporations Code, 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," as used in this Bylaw shall have the same meaning as in Section 5238 (a) of the California Corporations Code.

Section 2. APPROVAL OF INDEMNITY. On written request to the Board by any person seeking indemnification under Section 5238 (b) or Section 5238 (c) of the California Corporations Code, the Board shall promptly determine under Section 5238 (e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5328 (b) or Section 5238 (c) has been met, and, if so, the Board shall authorize indemnification.

Section 3. ADVANCEMENT OF EXPENSES. 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 under Article VIII, Section 1 and 2 of these Bylaws in defending any proceeding covered by those sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 4. INSURANCE. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Directors, officers, employees, representatives, and other agents, against any liability asserted against or incurred by any Director, officer, employee, representative, or agent in such capacity or arising out of the Director, officer, employee, representative or agent status as such.

### **Article VIII. VOTING UPON STOCK OF OTHER CORPORATIONS**

Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the Corporation to vote either in person or by proxy at any meeting of stockholders of any corporation in which this Corporation may hold stock, and at any such meeting may possess and exercise all of rights and powers incident to the ownership of such

stock which, as the owner thereof, this Corporation might have possessed and exercised if present. The Board of Directors may confer like powers upon any other person any may revoke any such powers as granted at its pleasure.

### **Article IX. FISCAL YEAR**

The fiscal year of the Corporation shall commence on January 1st of each year and end on December 31st.

### **Article X. RECORDS AND REPORTS**

Section 1. MAINTENANCE OF CORPORATE RECORDS. The Corporation shall keep:

- (a) Adequate and correct books and records of account; and
- (b) Written minutes of the proceedings of the Board, and committees of the Board;

Section 2. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS.

The Corporation shall keep at its principal office, or if its principal Office, or if its principal office is not in California, at its principal business office in the state, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Every director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each if its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 3. ANNUAL REPORT. An annual report shall be prepared within one hundred and twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information in appropriate detail:

(a) A balance sheet as of the end of the fiscal year, and an income statement and statement of change in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by certificate of an authorized officer of the Corporation that they were prepared without audit from the books and records of the Corporation.

(b) Any information that is required by Subsection d herein.

This section shall not apply if the Corporation receives less than ten thousand (\$10,000.00) dollars in gross revenues or receipts during the fiscal year.

Section 4. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As a part of the annual report to all members, or as a separate document if no annual report is issued, the Corporation shall annually prepare and furnish to its Directors a statement of any transaction or indemnification of the following kinds within one hundred and twenty (120) days after the end of the Corporation's fiscal year:

(a) Any transaction (1) to which the Corporation, its parent or its subsidiary was party, (2) which involved more than fifty thousand (\$50,000.00) dollars or was one of a number of such transactions with the same person involving, in the aggregate, more than fifty thousand (\$50,000.00) dollars and (3) in which either of the following interested persons has a direct or indirect material financial interest (a mere common directorship is not a material financial interest);

- a. Any Director or officer of the Corporation; its parent, or its subsidiary;
- b. Any holder or more than ten (10%) percent of the voting power of the Corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of the interested person(s) involved, their relationship to the Corporation, the nature of their interest in the transaction, and if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interests of the partnership need be stated.

(b) Any indemnifications or advances aggregating more than ten thousand (\$10,000,00) dollars paid during the fiscal year to any officer or Director of the Corporation under Article VIII of these Bylaws, unless that indemnification has already been approved by the Board of Directors under Section 5238(e) (2) of the California Corporations Code.

## **Article XI. CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of constructions, and definitions in the California Non-Profit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter. Singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

## **Article XII. MAINTENANCE OF NON-PROFIT STATUS**

No Director, officer or employee of or member of a committee of or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operation of the Corporation, provided, that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate

assets upon the dissolution of Corporation. All parties interested in the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of affairs of the Corporation whether voluntary or involuntary, the assets of the Corporation after all debts have been satisfied, then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered and paid over, in such amounts as the Board of Directors. may determine or as may be determined by a court of competent jurisdiction upon application of the Board of Directors, exclusively to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Section 501(c) (7) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

### **Article XIII. INVESTMENTS**

The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a Director is or may hereafter be permitted by law to make or any similar restrictions, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 503 or Section 504 of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

### **Article XIV. AMENDMENTS**

The Board of Directors shall have power to make, alter, amend and repeal the Bylaws of the Corporation by affirmative vote of a majority of the Directors where a quorum is present at a meeting duly called for that purpose.

### **Article XVI. EXEMPT ACTIVITIES**

Notwithstanding any other provision of these Bylaws, no Director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c) (7) of the Internal Revenue Code and its regulations as they now exist or as they

may hereafter amended, or by an organization contributions to which are deductible under Section 170(c) (2) of such code and regulations as they now exist or as they may hereafter be amended.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting Secretary of Los Angeles Kart Club, Inc, a California Non-Profit Public Benefit Corporation, that the above Bylaws, consisting of 11 pages, are the Bylaws of this Corporation as adopted by the Board on April \_\_, 2003, and that they have not been amended or modified since that date.

Executed on the \_\_\_\_\_ Day of April, 2003, at \_\_\_\_\_, California.

\_\_\_\_\_  
Secretary