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Return of Organization Exempt from Income Tax

2003

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2003 calendar year, or tax year beginning 10/01, 2003, and ending 9/30, 2004

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

CALIFORNIA COMMUNITY REINVESTMENT CORP
225 W. BROADWAY #120
GLENDALE, CA 91204

D Employer identification number: 95-4207717
E Telephone number: (818) 550-9800
F Accounting method: [X] Accrual

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations
H (a) Is this a group return for affiliates? [X] No
H (b) If 'Yes,' enter number of affiliates
H (c) Are all affiliates included? [X] No
H (d) Is this a separate return filed by an organization covered by a group ruling? [X] No
I Group Exemption Number
M Check [X] if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

G Web site: N/A

J Organization type (check only one): [X] 501(c) 3 (insert no) [] 4947(a)(1) or [] 527

K Check here [] if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 11,034,137.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with 21 rows and 4 columns (a, b, c, d) for revenue and expenses. Total revenue (line 12) is 11,034,137. Total expenses (line 17) is 8,067,921. Net assets at end of year (line 21) is 8,046,986.

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22			
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25	246,900.	123,450.	123,450.
26 Other salaries and wages	26	1,200,393.	1,150,393.	50,000.
27 Pension plan contributions	27	87,429.	73,429.	14,000.
28 Other employee benefits	28			
29 Payroll taxes	29			
30 Professional fundraising fees	30			
31 Accounting fees	31	60,630.		60,630.
32 Legal fees	32	38,378.		38,378.
33 Supplies	33			
34 Telephone	34	30,727.	27,654.	3,073.
35 Postage and shipping	35	19,226.	17,303.	1,923.
36 Occupancy	36	122,598.	110,338.	12,260.
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39	39,182.		39,182.
40 Conferences, conventions, and meetings	40	12,488.		12,488.
41 Interest	41	6,602,933.	6,602,933.	
42 Depreciation, depletion, etc (attach schedule)	42	61,999.	61,999.	
43 Other expenses not covered above (itemize):				
a See Statement 1	43a	-454,962.	-471,626.	16,664.
b -----	43b			
c -----	43c			
d -----	43d			
e -----	43e			
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	8,067,921.	7,695,873.	372,048.

Joint Costs. Check if you are following SOP 98-2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <input type="checkbox"/> See Statement 2 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a A CONSORTIUM OF BANKS HAS PROVIDED FINANCING AND TECHNICAL ASSISTANCE FACILITATING THE DEVELOPMENT OF AFFORDABLE HOUSING IN THE STATE OF CALIFORNIA. (Grants and allocations \$ _____)	7,695,873.
b ----- (Grants and allocations \$ _____)	
c ----- (Grants and allocations \$ _____)	
d ----- (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	7,695,873.

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash – non-interest-bearing		45	
	46 Savings and temporary cash investments	7,557,383.	46	11,451,434.
	47 a Accounts receivable	445,810.		
	b Less: allowance for doubtful accounts		601,978.	445,810.
	48 a Pledges receivable			
	b Less: allowance for doubtful accounts			
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)	94,327,660.		
	b Less: allowance for doubtful accounts	2,331,031.	118,161,908.	91,996,629.
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	54	
	55 a Investments – land, buildings, & equipment basis			
	b Less: accumulated depreciation (attach schedule)			
56 Investments – other (attach schedule)		56		
57 a Land, buildings, and equipment basis	397,275.			
b Less: accumulated depreciation (attach schedule)				
58 Other assets (describe ▶ See Statement 4)	281,881.	156,854.	115,394.	
59 Total assets (add lines 45 through 58) (must equal line 74)		126,640,447.	104,218,996.	
LIABILITIES	60 Accounts payable and accrued expenses	231,554.	60	363,953.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule).		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		118,503,384.	91,926,753.
	65 Other liabilities (describe ▶ See Statement 5)		2,824,739.	3,881,304.
66 Total liabilities (add lines 60 through 65)		121,559,677.	96,172,010.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	5,080,770.	67	8,046,986.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19; column (B) must equal line 21)		5,080,770.	8,046,986.
74 Total liabilities and net assets/fund balances (add lines 66 and 73)		126,640,447.	104,218,996.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements	a	11,034,137.
b	Amounts included on line a but not on line 12, Form 990	b	
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) _____ \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	11,034,137.
d	Amounts included on line 12, Form 990 but not on line a :	d	
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) _____ \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	11,034,137.

a	Total expenses and losses per audited financial statements	a	8,067,921.
b	Amounts included on line a but not on line 17, Form 990:	b	
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) _____ \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	8,067,921.
d	Amounts included on line 17, Form 990 but not on line a :	d	
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) _____ \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	8,067,921.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
MARY KAISER 225 W. BROADWAY, SUITE 120 GLENDALE, CA 91204 SEE SCHEDULE ATTACHED.	President 40	246,900.	14,000.	0.
	Directors 2	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If 'Yes,' attach schedule - see instructions

Part VI Other Information (See instructions)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes	X	
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?		X
81a	If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures See line 81 instructions	81 a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82b	If 'Yes,' you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III.)	82 b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		N/A
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		N/A
85c	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85 c	N/A
85d	c Dues, assessments, and similar amounts from members	85 d	N/A
85e	d Section 162(e) lobbying and political expenditures	85 e	N/A
85f	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 f	N/A
85g	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 g	N/A
85h	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 h	N/A
86a	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	86 a	N/A
86b	86 (c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12	86 b	N/A
87a	b Gross receipts, included on line 12, for public use of club facilities	87 a	N/A
87b	87 (c)(12) organizations Enter: a Gross income from members or shareholders	87 b	N/A
88	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
89a	89 (c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>		
89b	b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89 b	X
	c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
	d Enter Amount of tax on line 89c, above, reimbursed by the organization		0.
90a	List the states with which a copy of this return is filed <u>CALIFORNIA</u>		
90b	b Number of employees employed in the pay period that includes March 12, 2003 (See instructions)	90 b	0
91	The books are in care of <u>Mary Kaiser</u> Telephone number <u>(818) 550-9800</u> Located at <u>225 W. BROADWAY, GLENDALE, CA.</u> ZIP + 4 <u>91204</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a DEVELOPER /BROKER FEE				85,402.	
b LOAN FEES				1,416,697.	
c LOAN SALE PREMIUM				1,356,807.	
d LOAN SERVICING INCOME				301,031.	
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	58,607.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b INTERST INCOME-LOANS					7,815,593.
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				3,218,544.	7,815,593.
105 Total (add line 104, columns (B), (D), and (E))					11,034,137.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	See Statement 6

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here

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

Signature of officer: Mary Kaiser Date: 8/1/05

Type or print name and title: Mary Kaiser, President

Paid Preparer's Use Only

Preparer's signature: W. William Cary CPA Date: 7/28/05 Check if self-employed: Preparer's SSN or PTIN (see General Instruction W): N/A

Firm's name (or yours if self-employed): Venturelli, Cary & Company, Inc. EIN: N/A

address, and ZIP + 4: 301 E. Colorado Blvd., Ste 705 Pasadena, CA 91101-1911 Phone no: (626) 568-0790

SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2003

Department of the Treasury
Internal Revenue Service

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

CALIFORNIA COMMUNITY REINVESTMENT CORP

Employer identification number

95-4207717

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions. List each one. If there are none, enter 'None'.)

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
Maria Majczinger 225 W. Broadway, Glen, Ca	Loan Admin Offi 40	87,143.	5,229.	0.
Mark Rasmussen 225 W. Broadway, Glen, Ca	Loan Manager 40	201,460.	12,088.	0.
Mark Niles 225 W. Broadway, Glen, Ca	Vice Pres 40	96,059.	5,764.	0.
Sarah E. Walker 225 W. Broadway, Glen, CA.	System Manager 40	65,900.	3,954.	0.
Timothy Soule 9044 Olin St, LA, Ca 90034	Loan Review 40	80,560.	2,513.	0.
Total number of other employees paid over \$50,000 ▶	2			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None'.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
VINE & ASSOCIATES 3622 EMANUEL DRIVE, GLENDALE, CA.	CONSULTING SERVICES	174,175.
Andrea Vogel, Attorney At Law 9836 White Oak Avenue, # 105, Northrdifge, Ca	LEGAL SERVICES	141,823.
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See instructions.)

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u></p> <p>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes,' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>		X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)</p> <p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>		X
<p>e Transfer of any part of its income or assets?</p>		X
<p>3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)</p>		X
<p>b Do you have a section 403(b) annuity plan for your employees?</p>		X
<p>4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?</p>		X

Part IV Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5** A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6** A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7** A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8** A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9** A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a** An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b** A community trust. Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12** An organization that normally receives **(1) more than 33-1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and **(2) no more than 33-1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above, or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** An organization organized and operated to test for public safety. Section 509(a)(4) (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	10,141,717.	8,821,979.	10,071,572.	12,852,609.	41,887,877.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	263,634.	358,634.	425,792.	515,694.	1,563,754.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	10,405,351.	9,180,613.	10,497,364.	13,368,303.	43,451,631.
24 Line 23 minus line 17	263,634.	358,634.	425,792.	515,694.	1,563,754.
25 Enter 1% of line 23	104,054.	91,806.	104,974.	133,683.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 **N/A** ▶ **26a**

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ **26b**

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ **26c**

d Add: Amounts from column (e) for lines **18** _____ **19** _____
22 _____ **26b** _____ ▶ **26d**

e Public support (line 26c minus line 26d total) ▶ **26e**

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** %

27 Organizations described on line 12:

a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year
 (2002) _____ 0. (2001) _____ 0. (2000) _____ 0. (1999) _____ 0.

b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year
 (2002) _____ 0. (2001) _____ 0. (2000) _____ 0. (1999) _____ 0.

c Add: Amounts from column (e) for lines **15** _____ **16** _____
17 41,887,877. **20** _____ **21** _____ ▶ **27c** 41,887,877.

d Add: Line 27a total _____ 0. and line 27b total _____ 0. ▶ **27d** 0.

e Public support (line 27c total minus line 27d total) ▶ **27e** 41,887,877.

f Total support for section 509(a)(2) test Enter amount from line 23, column (e) ▶ **27f** 43,451,631.

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** 96.40 %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** 3.60 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

Part V Private School Questionnaire (See instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe; if 'No,' please explain (If you need more space, attach a separate statement) ----- ----- -----			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement.) ----- -----	32d		
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities? If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- ----- -----	33h		
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement.	34b		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation	35		

CALIFORNIA COMMUNITY REINVESTMENT CORP

95-4207717

Statement 1
Form 990, Part II, Line 43
Other Expenses

	(A)	(B)	(C)	(D)
	Total	Program Services	Management & General	Fundraising
DUES & SUB	15,036.	15,036.		
INSURANCE	20,657.	9,377.	11,280.	
LOAN FEE RECOVERY	-106,500.	-106,500.		
LOAN LOSS PROVISION	-688,882.	-688,882.		
MISCELLANEOUS	108,139.	108,139.		
OFFICE EXP, MAINT, ETC	53,840.	48,456.	5,384.	
OUTSIDE SERVICES & OTHER	142,748.	142,748.		
Total	\$ -454,962.	\$ -471,626.	\$ 16,664.	\$ 0.

Statement 2
Form 990, Part III
Organization's Primary Exempt Purpose

ASSISTANCE ON AFFORDABLE HOUSING DEVELOPMENT.

Statement 3
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Machinery and Equipment	\$ 397,275.	\$ 281,881.	\$ 115,394.
Total	\$ 397,275.	\$ 281,881.	\$ 115,394.

Statement 4
Form 990, Part IV, Line 58
Other Assets

PREPAIDS & OTHER RECEIVABLES		\$ 209,729.
Total		\$ 209,729.

Statement 5
Form 990, Part IV, Line 65
Other Liabilities

Deferred Income-pending loan fees	\$ 3,385,543.
Interest payable -member banks	495,761.
Total	\$ 3,881,304.

CALIFORNIA COMMUNITY REINVESTMENT CORP

95-4207717

Statement 6
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

<u>Line #</u>	<u>Explanation of Activities</u>
93A	INCOME IS NON TAXABLE DUE TO ITS DIRECT RELATIONSHIP TO THE ORGANIZATION'S EXEMPT FUNCTION OF PROVIDING FINANCING AND TECHNICAL ASSISTANCE TO FACILITATE THE DEVELOPMENT OF AFFORDABLE HOUSING IN THE STATE OF CALIFORNIA.
103a	INCOME IS NON TAXABLE DUE TO ITS DIRECT RELATIONSHIP TO THE ORGANIZATION'S EXEMPT FUNCTION OF PROVIDING FINANCING FOR AFFORDABLE HOUSING IN CALIFORNIA.

CALIFORNINA COMMUNITY REINVESTMENT CORPORATION – FORM 990 , Fed ID# 95-4207717

BANK	NAME	TITL E	ADDRESS	CITY	S T	ZIP			
Bank of Agriculture & Commerce	Mr. Ned A. Smull	Director	2021 W. March Lane, Suite 2D	Stockton	CA	95207			
Bank of America EXEC COMM	Ms. Gail Lannoy	Director	333 So. Hope Street, 11 th Floor CA9-193-11-03	Los Angeles	CA	90071			
Bank of the West	Mr. Mark Glasky	Director	300 South Grand Avenue (SC-CAL-07-C)	Los Angeles	CA	90071			
Capital Flows EXEC COMM	Mr. Daniel Leibsohn	Director	635 Buena Vista Avenue West	San Francisco	CA	94117			
CCRC EXEC COMM	Ms. Mary Kaiser	President	225 W. Broadway, Suite 120	Glendale	CA	91204			
Comerica Bank-California	Mr. Allen G. Williams	Director	333 West Santa Clara Street, 5 th Floor	San Jose	CA	95113-1715			
Community Corporation of Santa Monica	Ms. Joan Ling	Director	1423 Second Street, Suite B	Santa Monica	CA	90401			
California Bank & Trust	Mr. Charlie Cline	Director	1940 Century Park East	Los Angeles	CA	90067			
Fannie Mae	Mr. Michael D. Carroll	Director,	5127 T Street	Sacramento	CA	95819			
Local Initiatives Support Corporation	Mr. Austin E. Penny, Jr.	Director	1055 Wilshire Blvd., Suite 1600	Los Angeles	CA	90017			
Low Income Investment Fund	Ms. Nancy Andrews	Director	1330 Broadway, Suite 600	Oakland	CA	94612			
Mellon 1 st Business Bank	Mr. F. David Hare	Director	One Bunker Hill Building 601 West Fifth Street	Los Angeles	CA	90071			
Merritt Community Capital Corporation	Mr. Bernard T. Deasy	Director	1736 Franklin Street, Suite 600	Oakland	CA	94612			
Montecito Bank & Trust	Ms. Cheryl Knight	Director	P. O. Box 2460	Santa Barbara	CA	93120			

CALIFORNINA COMMUNITY REINVESTMENT CORPORATION – FORM 990 , Fed ID# 95-4207717

BANK	NAME	TITL E	ADDRESS	CITY	S T	ZIP			
Peoples Self-Help Housing EXEC COMM	Ms. Jeanette Duncan	Director	3533 Empleo Street	San Luis Obispo	CA	93401			
Silicon Valley Bank	Ms. Christine B. Carr	Director	185 Berry Street, Lobby 1, Suite 3000	San Francisco	CA	94107			
Union Bank of California EXEC COMM AUDIT COMM	Mr. James H. Francis	Director	200 Pringle Avenue, Suite 200	Walnut Creek	CA	94596			
United Commercial Bank	Mr. Alan Thian	Director	8632 E. Valley Blvd.	Rosemead	CA	91770			
Washington Mutual Bank EXEC COMM OPER COMM	Mr. Art Porter	Director	17877 Von Karman Avenue, 4 th Floor	Irvine	CA	92614			
Wells Fargo Bank EXEC COMM	Mr. Robin W. Michel	Director	420 Montgomery, 6th Fl	San Francisco	CA	94163			
Cary & Company CPA's	W. William Cary	Treasurer	301 E. Colorado Blvd, Ste 705,	Pasadena	CA	91101			

AMENDED AND RESTATED BYLAWS

OF

**CALIFORNIA COMMUNITY REINVESTMENT
CORPORATION,**

a California nonprofit public benefit corporation

December 9, 2004

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ARTICLE I

OFFICES

Offices may be established and maintained at such place or places in the State of California as the Board of Directors may from time to time designate. The Board of Directors shall designate the location of the principal executive office of the corporation.

ARTICLE II

PURPOSE

The purpose of the corporation is to provide financing and technical assistance to facilitate the development of affordable housing in the State of California.

ARTICLE III

MEMBERSHIP

Section 1. **Qualifications of Membership.** Membership in the corporation shall be limited to those national banking associations, state banking corporations, savings banks, thrift and loan companies, savings and loan associations, and any other financial service companies and insurance companies doing business in California which participate financially in all loans made by the corporation as governed by that certain Second Amended and Restated Credit and Security Agreement, dated September 27, 2001, as the same is amended or replaced from time to time (referred to in these Bylaws as the "Master Credit Agreement"), between the corporation and the "Lenders" listed therein.

Section 2. **Membership Classes and Term.** The corporation shall have one class of members. Each member's initial term of membership shall commence when such member joins the corporation, and shall expire on the day prior to the annual meeting of the members provided for in Section 8 of this Article III in the year in containing the second anniversary of the member joining. Unless a notice of election by the member to resign under Section 4 of this Article III has theretofore been timely received by the President, each member's initial term of membership, and any subsequent term of membership, shall be automatically renewed, without any notice or any other action, for an additional two- (2-) year term expiring the day before the annual meeting of the members two (2) years after such renewal, so long as such member has not been expelled by action of the Board of Directors as provided in Section 5 of this Article III.

Section 3. **Open Enrollment.** Any institution qualifying for membership in the corporation and not previously expelled from membership can join the corporation at any time by application to the Board of Directors in such form as the President may prescribe, payment to the corporation of the initiation fee (if any) then applicable, and acceptance of such institution as a member by the then existing Majority Lenders, as that term is defined in the Master Credit Agreement.

Section 4. Resignation. A member may at any time serve notice of its election to resign as a member of the corporation, but such election shall not become effective until the next applicable Withdrawal Date (defined below) for such member. Any such election shall be made by written notice submitted to the President. Once submitted, any notice of election to resign shall be irrevocable without the approval of two-thirds of the Directors. As used herein, the term "Withdrawal Date" means the day before the annual meeting of the members provided for in Section 8 of this Article III. The Withdrawal Date for each member shall be the last day of such member's then current membership term, except that if notice of the member's election to resign is received by the President less than three (3) months prior to the end of such current membership term, then the Withdrawal Date for such member shall be the end of the that member's next renewed membership term. Any election to resign shall not relieve the member resigning of the obligation to pay dues, assessments or other charges theretofore accrued and unpaid, if any, nor from funding any Advance then covered by the Commitment (as those terms are defined in the Master Credit Agreement) of such member then outstanding. Despite the foregoing, a member may, in the sole discretion of the Board of Directors, be allowed to resign prior to the applicable Withdrawal Date if the Board of Directors determines that such member is experiencing a liquidity crisis.

Section 5. Termination of Membership. The Board of Directors by affirmative vote of two-thirds of all Directors may suspend or expel a member for nonpayment of the member's financial obligations to the corporation or for conduct as a member which is materially detrimental to the best interests of the corporation. Written notice of any proposed expulsion or suspension, together with a statement of the reasons therefor and a copy of this Section of the Bylaws, shall be sent by first-class mail to the last address on the records of the corporation for the member in question. Within fifteen (15) days after the mailing of the notice, the member may in writing request a hearing on the expulsion or suspension. If a hearing is requested, the suspension or expulsion shall be stayed pending the determination of a Hearing Committee appointed by the Board of Directors and composed of three (3) Directors. The member may appeal its suspension or expulsion in writing or have its representative(s) personally appear before the Hearing Committee, which shall thereupon either confirm or reject the expulsion or suspension. The decision of the Hearing Committee shall be final. If no hearing is requested, the expulsion or suspension shall be effective fifteen (15) days after the mailing of the notice to the member in question. If a hearing is requested, the expulsion or suspension, if confirmed, shall be effective five (5) days after the confirmation by the Hearing Committee. Any suspension or expulsion shall not relieve the member in question of the obligation to pay dues, assessments or other charges theretofore accrued and unpaid, if any, nor from funding any commitment by such member then outstanding.

Section 6. Reinstatement. Upon written request signed on behalf of a former member and filed with the President, the Board of Directors may by the affirmative vote of two-thirds of the members of the Board reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

Section 7. Transfer of Membership. Membership in the corporation is not transferable or assignable, either voluntarily or by operation of law through a merger,

consolidation or acquisition, except with the consent of a majority of the members of the Board. Despite the foregoing, if a merger, consolidation or acquisition occurs with respect to a member during the initial two (2) years that it is a member, the membership shall be deemed transferred to the successor entity, so long as such entity qualifies for membership in the corporation, without the necessity of any consent of the Board of Directors. No membership, nor any right arising therefrom, may be transferred for value by any member.

Section 8. Annual Meeting. A meeting of the members shall be held annually for the election of Directors and the transaction of such other business on such date, time and place as the Board of Directors shall determine from time to time, and specified in the notice thereof.

Section 9. Special Meetings. Special meetings of the members may be called at any time by the Chairman of the Board, if any, by the President, by a majority of the Board of Directors, or by five percent (5%) of the members of the corporation.

Section 10. Notice of Meeting of Members.

A. Notice of each meeting of members shall be given in writing by the Secretary or by or on behalf of the persons calling the meeting and shall state the place, date and time of the meeting and the purpose or purposes for which the meeting is called. Notice of a special meeting shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of any meeting at which Directors are to be elected shall include the names of the nominees.

B. Not less than ten (10) nor more than ninety (90) days before the date of each meeting, a copy of the notice of such meeting shall be given, personally or by first-class mail, to each member of record at the close of business on the business day preceding the date on which notice is given. If mailed, such notice shall be deemed given when deposited in the United States mail, with postage thereon prepaid, directed to the member at its address as it appears on the record of members, or, if it shall have filed with the Secretary of the corporation a written request that notices to it be mailed at some other address, then directed to it at such other address.

C. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. No meeting may be adjourned for more than forty-five (45) days. However, if after the adjournment the Board of Directors fixes a new record date for determining members entitled to vote at the adjourned meeting, a notice of the adjourned meeting shall be given to each member of record on the new record date entitled to notice under the preceding paragraphs of this Section 10 of Article III.

Section 11. Waivers of Notice. Notice of meetings need not be given to any member who submits a waiver of notice, in person or by proxy, signed by an authorized signatory for such member, whether before or after the meeting. The attendance of any member at a meeting, in person or by proxy, without protesting at the beginning of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such member. All waivers shall be made part of the minutes of the meetings.

Section 12. Inspectors.

A. The Board of Directors, in advance of any meeting of members, may appoint one or three inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a meeting of members may, and at the request of any member entitled to vote thereat shall, appoint inspectors of election at the meeting. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.

B. The inspectors shall determine the number of memberships outstanding, the number of members represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all members. On request of the person presiding at the meeting or any members entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. If there are three inspectors, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

Section 13. List or Record of Members at Meetings. A list or record of members entitled to vote and the number of votes each member shall be entitled to cast, certified by the Secretary or any Assistant Secretary of the corporation or by a transfer agent, shall be produced at any meeting of members upon the request therefor by any member who has given written notice to the corporation that such request will be made at least ten (10) days prior to such meeting. If the right to vote at any meeting is challenged, the inspectors, or the person presiding thereat, shall require such list or record of members to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list or record to be members entitled to vote thereat may vote the number of votes specified on such list or record at such meeting.

Section 14. Quorum of Members. A majority of the voting power of members entitled to vote, represented in person or by proxy, shall constitute a quorum at a

meeting of members. Except where a greater vote is required by the Articles of Incorporation or these Bylaws or by applicable law, and except for the election of Directors, if a quorum is present, the affirmative vote of a majority of the votes of members represented at the meeting, entitled to vote, and voting on any manner, shall be the act of the members. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

Section 15. Proxies.

A. Every member entitled to vote at a meeting or to express consent or dissent without a meeting may authorize another person or persons to act for it by proxy. Every proxy must be signed by an authorized signatory of the member. No proxy shall be valid after the expiration of eleven months from the date thereof. Every proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto. Every proxy shall be revocable at the pleasure of the member executing it. A revocation may be effected by a writing delivered to the corporation stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting, or as to any meeting by attendance at such meeting and voting in person by the person executing the proxy. The dates specified on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed.

B. Any proxy authorizing the proxy holder to vote for Directors shall not be valid for such vote unless the proxy lists those persons nominated pursuant to Section 4 of Article V hereof. Any proxy covering the following matters requiring a vote of the members is not valid as to such matters unless the proxy sets forth the general nature of the matter to be voted on: removal of Directors, election of a Director or officer to fill a vacancy, or amendment of these Bylaws with respect thereto; amendment of the Bylaws to alter proxy rights; amendment of the Articles of Incorporation of the corporation; sale or lease of all or substantially all of the assets of the corporation; merger; or dissolution.

Section 16. Vote of Members. Each member shall be entitled to cast a number of votes equal to one one-millionth (1/1,000,000) of the dollar amount of such member's loan pool commitment on the business day preceding any vote of members, rounded to the nearest whole number, provided, however, that each member shall be entitled to cast at least one vote. Whenever any corporate action other than the election of Directors is to be taken by vote of the members, it shall, except as otherwise required by law or by the Articles of Incorporation, be authorized by a majority of the votes cast at a meeting of members by the members entitled to vote thereon. In order to ensure compliance with Section 2 of Article V of these Bylaws, at each annual meeting members shall elect certain Directors who are not employed by, a director of, a consultant to, or otherwise affiliated with any member of the corporation (the "Disinterested Directors") by an election that is separate from the election of any other

Directors. At-large candidates and candidates for Disinterested Directors who receive the highest number of votes in their respective elections shall be elected to the Board of Directors.

Section 17. Action in Lieu of Meeting.

A. Any action required or permitted to be taken by the members may be taken without a meeting if all members individually or collectively consent in writing to the action. The written consent or consents shall be made a part of the minutes of the proceedings of the members. Such action by written consent shall have the same force and effect as the unanimous vote of the members.

B. Any action which may be taken at a regular or special meeting of the members may be taken without a meeting if the corporation distributes a written ballot to every member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal and provide a reasonable time within which to return the ballot to the corporation. Approval by written ballot shall be valid only (i) when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at the meeting, and (ii) the number of approvals equals or exceeds the number of votes that would be required at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Section 18. Inspection Rights. The accounting books and records and minutes of proceedings of the members and the Board of Directors and of the corporation's committees shall be open to inspection upon the written demand of the corporation of any member at any reasonable time, for a purpose reasonably related to such member's interests as a member. Such inspection by a member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

Section 19. Record Date. Members of record at the close of business on the fifth (5th) business day preceding any meeting of members shall be entitled to vote at such meeting. Such record date shall also apply in the case of an adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting.

ARTICLE IV

CONTRIBUTIONS

Section 1. Annual Contributions. The Board of Directors may determine from time to time the amount of initiation fee, if any, and annual contribution, if any, payable to the corporation by any members.

Section 2. Payment of Contributions. Contributions, if the Board of Directors shall have provided for contributions under the provisions of Section 1 of this Article IV, shall be payable in advance on a date established by the Board of Directors.

Section 3. Default and Termination of Membership. When any member shall be in default in the payment of dues or other contributions for a period of sixty (60) days from the beginning of the period for which such amounts become payable, its membership may thereupon be terminated by the Board of Directors in the manner provided in Section 5 of Article III hereof.

ARTICLE V

DIRECTORS

Section 1. Powers. The corporation shall have powers to the full extent allowed by law. All powers and activities of the corporation shall be exercised and managed directly by the Board of Directors. Such powers and activities may be delegated, but if delegated, the exercise and performance of the same shall be under the ultimate direction of the Board.

Section 2. Number of Directors. The authorized number of Directors shall be not less than twelve (12) and not more than twenty (20). The exact authorized number of Directors within the range of the previous sentence shall be determined by the Board of Directors. At least twenty-five percent (25%) of the Directors shall be Disinterested Directors.

Section 3. Election and Term of Office of Directors. Directors shall be elected at the annual meeting of members at which a quorum is present, in person or by proxy, or by written ballots of the members. Disinterested Directors shall be elected by an election that is separate from the election of any other Directors. Candidates receiving the highest number of votes in their respective elections shall be elected as Directors. A Director may succeed himself or herself in office. The term of office for each Director shall be one (1) year or until his or her successor is elected, unless earlier removed by action of the Board under Section 5 of this Article V.

Section 4. Nomination Procedure. Annually the Board of Directors shall establish a date upon which the notice of annual meeting of members will be mailed to the members (the "Mailing Date"). The Mailing Date shall be at least thirty (30) days prior to the date of the annual meeting. At least sixty (60) days prior to the Mailing Date, the Board of Directors shall appoint a Nominating Committee composed of at least four (4) Directors. At least twenty (20) days prior to the Mailing Date, the Nominating Committee shall submit a list of candidates nominated by it for the election as Disinterested Directors and a list of candidates nominated by it for the other seats on the Board of Directors. Each such list of nominees shall be mailed to all members on the Mailing Date. Within ten (10) days after the Mailing Date, members may nominate other candidates meeting the requirements for election as Disinterested Directors, or as other members of the Board of Directors, by submitting to the President petitions signed by members of the corporation having twenty percent (20%) or more of the total votes of the members. In the event of any such additional nominations, an additional notice shall be mailed to all members indicating the additional candidates which will be presented to the membership for consideration at the annual meeting.

Section 5. Vacancies. A vacancy shall be deemed to exist in the event that the actual number of Directors holding office is less than the authorized number for any reason. Any Director may resign for any reason by written notice of resignation delivered to the President, such resignation to be effective upon receipt of such notice by the President unless the notice specifies a later time of effectiveness. The Board may remove a who has been declared of unsound mind by a final order of court, been convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Article 3 of the Nonprofit Corporation Law (generally relating to directors' standards of conduct). Any Director who is an officer or employee of a member which has submitted notice of its election to resign from the corporation, or of a member which has been suspended or expelled by the Directors under Section 5 of Article III, shall be deemed automatically removed, effective as of receipt of such notice of election to resign or as of the effectiveness of such suspension or removal. Absence of a Director from three (3) or more consecutive Board meetings shall constitute cause for removal. The Board may remove any Director without cause if such removal is approved by a majority of the members of the corporation. If a vacancy occurs, a majority of the Directors then sitting (whether or not constituting a majority of the authorized number of Directors) shall, within a reasonable time thereafter, fill the vacancy, and the approval of the members shall not be required for such action. A Director so elected shall serve for the unexpired term of his or her predecessor.

Section 6. Meetings of the Board. A meeting of the Board of Directors shall immediately follow the annual meeting of the members described in Section 8 of Article III, for the purpose of organization, appointment of officers, and the transaction of other business. In addition to such annual meeting of the Board of Directors, regular meetings shall be held at such times as shall from time to time be fixed by the President or a majority of the Directors. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President or by any three (3) Directors. Directors may participate in any meeting through the use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Participation in a meeting by this means constitutes presence in person at such meeting.

Section 7. Notice of Board Meetings. Notice of the annual meeting of the Board of Directors is hereby dispensed with as the meeting shall immediately follow the annual meeting of the members, pursuant to Section 6 of this Article V. Notice of each regular and special meeting shall be given to the Directors not less than six (6) days prior to the meeting if delivered by first class mail or not less than forty-eight (48) hours prior to the meeting if the notice is delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. If mailed, such notice shall be deemed given when deposited in the United States mail, with postage thereon prepaid, directed to the Director. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission or actually transmitted by the person giving notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone, including a voice messaging system or other system or technology designed to record

and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, to the recipient or to a person at the office of the recipient who the person giving notice has reason to believe will promptly communicate it to the recipient.

Section 8. Waivers of Notice. The notice requirements contained in these Bylaws may be waived in writing by any Director, either before or after the meeting. The attendance of any Director at a meeting, in person, without protesting at the beginning of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her. All waivers shall be made part of the minutes of the meetings.

Section 9. Quorum of Directors. A quorum for any meeting of the Board of Directors shall be twenty percent (20%) of the authorized number of Directors. Except where a greater vote is required by the Articles of Incorporation or these Bylaws or by applicable law, if a quorum is present, the affirmative vote of a majority of the Directors represented at the meeting, entitled to vote, and voting on any manner, shall be the act of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting. A majority of the Directors then present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 10. Action in Lieu of a Meeting. Any Board action required or permitted to be taken by the Board may be taken without a meeting, if all Directors of the Board, not including any "interested director" (as defined in Section 5233 of the California Nonprofit Corporation Law), shall individually or collectively consent in writing. Such written consent shall be made a part of 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 the Directors.

Section 11. Standard of Care.

A. General. A Director shall perform the duties of a director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances. In performing the duties of a Director, a Director 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:

- (1) One or more officers or employees of the corporation whom the Director believes to be reliable and competent in the matters presented;
- (2) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

(3) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence;

so long as, in any such case, the Director 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. With the exception of self-dealing transactions, as defined in Subsection 12 B of this Article V, a person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

B. Investments. Except with respect to assets held for use or used directly in carrying out the corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation's capital. The provisions of Subsection 11 A of this Article V shall apply to this Subsection.

Section 12. Prohibited Transactions.

A. Loans. The corporation shall not make any loan of money or property to, nor guarantee the obligation of, any Director or officer; however, the corporation may advance money to a Director or officer of the corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

B. Self-Dealing Transactions. Except as provided in Subsection 12 C of this Article V, the Board shall not approve a self-dealing transaction. A "self-dealing transaction" is (i) one to which the corporation is a party and in which one or more of the Directors has a material financial interest or, (ii) a transaction between the corporation and one or more of the Directors, or (iii) between the corporation and any person in which one or more of its Directors has a material financial interest.

C. Approval. The Board of Directors may approve a self-dealing transaction if the Board determines that the transaction is in the best interests of and is fair and reasonable to the corporation and, after reasonable investigation under the circumstances, determines that the corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board, in good faith, with knowledge of the material facts concerning the transaction and the Director's interest in the transaction, and by a vote of a majority of the Directors then in office, without counting the vote of the interested Director or Directors.

D. No Director or officer of the corporation may appropriate or divert to others any opportunity for profit in connection with a transaction in which it is known or could be anticipated that the corporation would be interested. Such opportunities include, but are not limited to, acquisition of real or personal property, appointment of suppliers, or design or development of new products, services or areas of business related to the corporation's present or planned services or service areas.

Section 13. Inspection Rights. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of the corporation. Such inspection by a Director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

Section 14. Interested Persons Limit. Not more than forty-nine percent (49%) of the persons serving on the corporation's Board may be interested persons. For purposes of this Section 14, "interested persons" means either:

A. Any person currently being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full- or part-time employee, independent contractor, or otherwise; or

B. 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.

Section 15. Compensation. No Director, including the Chairman of the Board, shall receive any compensation from the corporation for serving on the Board. However, Directors shall be entitled to receive their actual and necessary expenses in attending meetings of the Board of Directors and meetings of committees of the Board of Directors.

ARTICLE VI

COMMITTEES

Section 1. Executive Committee. There shall be an Executive Committee of the Board of Directors consisting of the following members, and such other Board members as the Board of Directors may appoint from time to time:

A. Chairman of the Board;

B. Vice Chairman of the Board, if one has been designated by the Board from time to time;

C. Chairman of the Audit Committee;

D. President of the corporation;

E. Secretary or Secretary/Treasurer of the corporation; and

F. Such at-large members of the Board of Directors, if any, as shall be elected to the Executive Committee annually by a majority of the members of the Board of Directors then in office.

The Executive Committee shall have all the authority of the Board except as provided in Section 7 of this Article VI.

Section 2. Loan Committee; Workout Committee. The corporation shall have a Loan Committee whose membership shall be determined in accordance with the terms of the Master Credit Agreement, which Loan Committee shall review, evaluate and make determinations with respect to the loans proposed for the corporation to make. The Loan Committee shall appoint a subcommittee of its membership to act as the Workout Committee, which shall review, evaluate and determine the course of action to be taken by the corporation, consistent with resolutions adopted by the Board of Directors from time to time, with respect to any troubled loans or credit-downgraded loans held by the corporation from time to time.

Section 3. Audit Committee. There shall be an audit committee to consist of two(2) members. The audit committee may include persons who are not members of the Board of Directors, but the member or members of the audit committee shall not include any members of the staff, including the president or chief executive officer and the treasurer or chief financial officer. If the corporation has a finance committee, it must be separate from the audit committee. Members of the finance committee may serve on the audit committee, however, the chairperson of the audit committee may not be a member of the finance committee and members of the finance committee shall constitute less than one-half of the membership of the audit committee. Members of the audit committee shall not receive any compensation from the corporation in excess of the compensation, if any, received by members of the Board of Directors for service on the board and shall not have a material financial interest in any entity doing business with the corporation. Subject to the supervision of the Board of Directors, the audit committee shall be responsible for recommending to the Board of Directors the retention and termination of the independent auditor and may negotiate the independent auditor's compensation, on behalf of the Board of Directors. The audit committee shall confer with the auditor to satisfy its members that the financial affairs of the corporation are in order, shall review and determine whether to accept the audit, shall assure that any nonaudit services performed by the auditing firm conform with standards for auditor independence, and shall approve performance of nonaudit services by the auditing firm.

Section 4. Other Committees. The Board of Directors shall, by majority vote, appoint the membership of the Nominating Committee provided for in Section 4 of Article V, and any Hearing Committee required as provided in Section 5 of Article III. The Board of Directors may also designate one or more other committees as contemplated in Sections 5 and 6 of this Article VI, and appoint members thereto. The members of all such committees appointed by the Board of Directors shall serve at the pleasure of the Board.

Section 5. Operating Committees. There may be one or more Operating Committee(s) of the Board of Directors consisting of two (2) or more Directors, with the Chairman of the each such Operating Committee appointed by the Chairman of the Board and the other member(s) thereof selected by the Chairman of such Operating Committee with the approval of the Chairman of the Board. The authority of any Operating Committee(s) shall be delegated by a resolution of the Board of Directors.

Section 6. Advisory Committees. Advisory committees may be appointed from time to time by the Board of Directors. Advisory committee membership may consist of Directors only, or both Directors and nondirectors, or nondirectors only. Advisory committees shall have no legal authority to act for the corporation, but shall report their findings and recommendations to the Board of Directors.

Section 7. Powers of Committees. The Executive Committee, and any other committee appointed by the Board of Directors as contemplated in this Article VI, subject to the limitations established by the resolution establishing such committee or by the other terms of these Bylaws, shall have all the authority of the Board, except that no committee, regardless of the Board resolution, may:

- A. Approve any action which also requires approval of the members of the corporation;
- B. Approve a self-dealing transaction, except as provided in Subsection 12 C of Article V;
- C. Fill vacancies on the Board of Directors or on any committee which has the authority of the Board;
- D. Provide for compensation of Directors for serving on the Board or any committee;
- E. Amend or repeal these Bylaws or adopt new Bylaws;
- F. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- G. Appoint any other committees of the Board of Directors or the members of these committees; or
- H. Spend corporate funds to support a nominee for Director if there are more people nominated for Director than can be elected.

Section 8. Meetings. Except as otherwise provided in this Article VI, meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of Article V of these Bylaws concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members. 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 that are consistent with the provisions of these Bylaws for the governance of any committee.

Section 9. Alternate Members. The Board of Directors may designate one (1) or more Directors as alternate members of any committee, which alternate members may replace any absent member at any meeting of such committee in the order designated. Failing such designation and in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

ARTICLE VII

OFFICERS

Section 1. Officers. The officers of the corporation shall be a President, Chairman of the Board, Secretary, Treasurer, and such other officers as the Board of Directors may appoint. No person may hold more than one of these offices at one time, except that the offices of Secretary and Treasurer may be held by the same person.

Section 2. Appointment. The Board of Directors shall elect all officers of the corporation for terms of one year, or until their successors are elected and qualified.

Section 3. Removal. Subject to the rights, if any, of the officer under any contract of employment, any officer of the corporation may be removed with or without cause by the Board of Directors at any time.

Section 4. Resignation. Any officer may resign at any time by giving written notice to the corporation. Any such notice of resignation shall take effect at the date of the receipt of that notice or at any later time specified by that notice and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 5. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors, except that the Vice Chairman of the Board, if any, shall preside at any meeting of the Board of Directors from which the Chair of the Board is absent and shall perform such other duties as may be prescribed by the Board.

Section 6. President. The President shall be the chief executive officer of the corporation and shall be responsible for conducting the affairs of the corporation in a manner consistent with the policies and directives of the Board of Directors. In accordance therewith, the President (acting alone) shall be authorized and empowered to make, execute and deliver (or to delegate the authority to do so to any other employee of the corporation) on behalf of or in the name of the corporation, such agreements, instruments and documents, and to take such other action and do such things, as may be necessary or desirable to carry out and conduct the business of the

corporation. He or she shall have also such other authority and duties as may be prescribed by the Board.

Section 7. Secretary. The Secretary shall serve notice of and act as secretary at all meetings of the Board of Directors, shall record all such proceedings in the Minute Books and shall be responsible for conducting the affairs of the corporation in a manner consistent with the policies and directives of the Board of Directors. The Secretary shall have such additional powers and duties as shall be prescribed by the Board.

Section 8. Treasurer. The Treasurer shall have charge and custody of and shall receive, safeguard, disburse and account for all funds of the corporation, and shall deposit and invest them in such banks, other depositories or investments as may be designated by the Board. The Treasurer shall maintain the financial books and records of the corporation, and shall prepare and submit such accounting and tax forms as may be required by local, state and federal law. The Treasurer shall have such additional powers and duties as shall be prescribed by the Board.

Section 9. Vice Presidents. The Board may appoint one or more Vice Presidents to perform such duties and have such powers as the Board shall designate.

Section 10. Compensation. Compensation of the officers of the corporation shall be determined by the Board, except that the Chairman of the Board shall not be compensated for performing his or her duties as Chairman. In addition, the Board of Directors shall review and approve the compensation, including benefits, of the president or chief executive officer and the treasurer or chief financial officer to assure that it is just and reasonable. This review and approval 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, except for modifications extended to substantially all employees.

Section 11. Execution of Instruments. Any and all instruments executed in the name of the corporation, including, but not limited to, contracts, agreements, purchase orders, notes, deeds, deeds of trust, mortgages, leases, security agreements, checks and drafts issued, endorsements of checks and drafts received, certificates, applications and reports, shall be executed on behalf of the corporation by the President, or by one or more other officers, employees or agents of the corporation as authorized from time to time by the Board of Directors or to whom such responsibility has been delegated by the President. Such authorization may be general or confined to specific instances. The respective offices and duties thereof as established and defined in this Article VII or by resolution of the Board of Directors include, except as otherwise provided, the authority to execute instruments in the name of the corporation when the execution of the instrument is incident to carrying out the duties of the office in question.

ARTICLE VIII

RECORDS

Section 1. **Minute Book.** The corporation shall keep or cause to be kept a minute book which shall contain:

A. The record of all meetings of the Board of Directors including date, place, those attending the proceedings thereof, a copy of the notice of the meeting and when and how given, written waivers of notice of meeting, written consents to holding meeting, written approvals of minutes of meeting, and unanimous written consents to action of the Board of Directors without a meeting, and similarly as to meetings of committees of the Board of Directors and as to meetings or written consents of the incorporation of the corporation prior to the appointment of the initial Board of Directors.

B. The record of all meetings of members including date, place, members present in person or by proxy, proxies used, and the proceedings thereof, a copy of the notice of meeting and when and how given, any affidavit as to the mailing or giving of notice, written waivers of notice of meeting, written consents to the holding of the meeting, written approvals of the minutes of the meeting and unanimous written consents of members to action without a meeting.

C. A copy of the Articles of Incorporation and all amendments thereto and a copy of all certificates filed with the Secretary of State.

D. A copy of the Bylaws, as amended, duly certified by the Secretary of the corporation.

Section 2. **Annual Report.**

A. Financial statements shall be prepared as soon as reasonably practicable after the close of the fiscal year. The financial statements shall contain, but not be limited to, the following information in reasonable and appropriate detail:

(1) The assets and liabilities, including trust funds, of the corporation as of the end of the fiscal year;

(2) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

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

(5) Any transaction during the previous fiscal year involving Forty Thousand Dollars (\$40,000.00) or more to which the corporation or a subsidiary was a party and in which any Directors or officers of the corporation or subsidiary had or has a direct or indirect material financial interest. The report must disclose the names of the interested persons involved in such transaction, stating such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest;

(6) The amount and circumstances of any indemnification or advances aggregating more than Ten Thousand Dollars (\$10,000.00) paid during the fiscal year to any officer or Director of the corporation.

B. Annual financial statements shall be prepared using generally accepted accounting principles that are audited by an independent certified public accountant in conformity with generally accepted auditing standards. For any nonaudit services performed by the firm conducting the audit, the firm and its individual auditors shall adhere to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States (the Yellow Book).

C. A report including the financial statements prescribed above shall be furnished annually to all Directors of the corporation. The audited financial statements (together with the corporation's IRS Form 990) shall be available for inspection by the Attorney General and by members of the public no later than nine months after the close of the fiscal year to which the statements relate, both (1) at the corporation's principal and any regional or district office during regular business hours, and (2) by mailing a copy to any person who so requests in person or in writing; or, alternatively, by posting the audited statements on the corporation's website.

D. An annual report including the financial statements prescribed above shall be sent to members of the corporation not later than 120 days after the close of the fiscal year, except as provided in Section 6321 of the California Corporations Code, except that neither an annual report nor financial statements need be sent to the members for any fiscal year of the corporation if the corporation received less than twenty-five thousand dollars (\$25,000) in gross revenues or receipts during the fiscal year.

E. Except as otherwise publicly disclosed, or in order to appropriately conduct the corporation's business, the records and reports of the corporation shall be held in confidence by those persons with access to them.

ARTICLE IX

INDEMNIFICATION

Section 1. Indemnification of Directors, Officers and Employees. The corporation may indemnify a Director, officer or employee pursuant to the provisions of Section 5238 of the California Nonprofit Corporation Law, or pursuant to a contract entered into with any employee who is not an officer or Director.

Section 2. Advancement of Expenses. Expenses incurred in defending any proceeding may be advanced by the corporation as authorized in Section 5238 of the California Nonprofit Corporation Law prior to final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the Director, officer or employee to repay such amount unless it shall be determined ultimately that the Director, officer or employee is entitled to be indemnified.

ARTICLE X

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 2. Corporate Seal. The corporation shall have a seal which shall be specified by resolution of the Board of Directors. The seal may be affixed to all corporate instruments, but failure to affix it shall not affect the validity of the instrument.

Section 3. Amendment of Bylaws. These Bylaws may be amended or repealed and new Bylaws adopted by the vote of a majority of all of the members of the Board of Directors, except that any Bylaw changing the maximum or minimum number of Directors, changing the number of the Directors to a fixed number, extending or expanding the term of a Director, amending members' voting or transfer rights or amending members' proxy rights must be approved by a majority of the members. All Directors must receive at least thirty (30) days notice of any vote on amending these Bylaws.

Section 4. Reimbursement of Expenses of the Corporation. The corporation shall provide full reimbursement for monies reasonably expended on behalf of the corporation by its officers or directors.

Section 5. Additional Organizations: Exercise of Rights. The Board of Directors of the corporation may authorize the formation of auxiliary organizations, including but not limited to corporations, limited liability companies, partnerships and other for-profit and nonprofit entities as, in the opinion of the Board of Directors, would assist in the fulfillment of the purposes of the corporation. Designee(s) as elected or appointed by the corporation's Board of Directors, or in the event that a person is not so elected, the President of the corporation, shall exercise any and all rights of the corporation in such auxiliary corporation, including but not limited to the corporation's rights as a shareholder or member in the auxiliary organization.

CERTIFICATE OF AMENDMENT
OF
BY LAWS
OF
CALIFORNIA COMMUNITY REINVESTMENT CORPORATION
TO ADDRESS SB 1262

The undersigned certify that:

1. Articles VIII, Section 2(B) shall be amended by the addition of Section 5 to read in full as follows:

Section 2. Annual Report.

(B) Annual financial statements shall be prepared using generally accepted accounting principles that are audited by an independent certified public accountant in conformity with generally accepted auditing standards. For any nonaudit services performed by the firm conducting the audit, the firm and its individual auditors shall adhere to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States (the Yellow Book).

2. Article VIII, Section C shall be amended by the addition of the following sentence at the end thereof:

The audited financial statements (together with the corporation's IRS Form 990) shall be available for inspection by the Attorney General and by members of the public no later than nine months after the close of the fiscal year to which the statements relate, both (1) at the corporation's principal and any regional or district office during regular business hours, and (2) by mailing a copy to any person who so requests in person or in writing; or, alternatively, by posting the audited statements on the corporation's website.

3. Article Vi, Section 3 shall be amended to read in full as follows:

Section 3. Audit Committee. There shall be an audit committee to consist of two(2) members. The audit committee may include persons who are not members of the Board of Directors, but the member or members of the audit committee shall not include any members of the staff, including the president or chief executive officer and the treasurer or chief financial officer. If the corporation has a finance committee, it must be separate from the audit committee. Members of the finance committee may serve on the audit committee, however, the chairperson of the audit committee may not

be a member of the finance committee and members of the finance committee shall constitute less than one-half of the membership of the audit committee. Members of the audit committee shall not receive any compensation from the corporation in excess of the compensation, if any, received by members of the Board of Directors for service on the board and shall not have a material financial interest in any entity doing business with the corporation. Subject to the supervision of the Board of Directors, the audit committee shall be responsible for recommending to the Board of Directors the retention and termination of the independent auditor and may negotiate the independent auditor's compensation, on behalf of the Board of Directors. The audit committee shall confer with the auditor to satisfy its members that the financial affairs of the corporation are in order, shall review and determine whether to accept the audit, shall assure that any nonaudit services performed by the auditing firm conform with standards for auditor independence, and shall approve performance of nonaudit services by the auditing firm.

4. Article VII, Section 10 shall be amended by the addition of the following two sentences at the end thereof:

In addition, the Board of Directors shall review and approve the compensation, including benefits, of the president or chief executive officer and the treasurer or chief financial officer to assure that it is just and reasonable. This review and approval 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, except for modifications extended to substantially all employees.

Mary Kaiser, President

Jeanette Duncan, Secretary