



20

CITY MANAGER'S OFFICE
RECEIVED
SEP 28 1988

**DEPARTMENT OF PARKS
AND COMMUNITY SERVICES**

**CITY OF SACRAMENTO
CALIFORNIA**

1231 I STREET
SUITE 400
SACRAMENTO, CA
95814-2977

ROBERT P. THOMAS
DIRECTOR

September 28, 1988

916-449-5200

G. ERLING LINGGI
ASSISTANT DIRECTOR

CITY MANAGER'S OFFICE
RECEIVED
SEP 28 1988

DIVISIONS:
CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM AND HISTORY
PARKS
RECREATION

WALTER S. UEDA
DEPUTY DIRECTOR

APPROVED
BY THE CITY COUNCIL

OCT. 4 1988

OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: Establishment of Friends of Fairytale Town Nonprofit
Support Organization with Modification to Entrance Fees**

SUMMARY

This report provides information regarding the establishment of a nonprofit support organization entitled Friends of Fairytale Town. The organization will create a membership system to generate funds for the development of new structures and to improve existing structures within the Fairytale Town facility. Further, this report recommends formalizing and modifying a fee exempt Fairytale Town admission policy for members of the Friends of Fairytale Town commencing January 1, 1989.

BUDGET AND FINANCE COMMITTEE ACTION

The attached report was approved by the Budget and Finance Committee at their meeting of September 27, 1988.

RECOMMENDATION

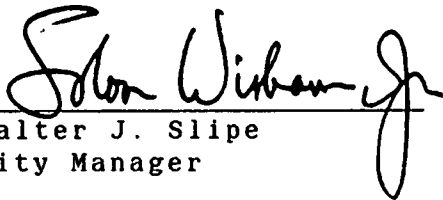
It is recommended that the City Council approve, by resolution, the Fairytale Town fee exempt admission policy for Friends of Fairytale Town members commencing January 1, 1989.

Respectfully submitted,



Robert P. Thomas, Director
Parks and Community Services

Recommendation Approved:


for: Walter J. Slipes
City Manager

RPT:ja

October 4, 1988
District No. 4

RESOLUTION NO. 88-854

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

APPROVED
BY THE CITY COUNCIL
OCT 4 1988
OFFICE OF THE
CITY CLERK

RESOLUTION TO APPROVE THE ESTABLISHMENT OF
FRIENDS OF FAIRYTALE TOWN NON-PROFIT SUPPORT ORGANIZATION
AND THEIR BYLAWS AND TO APPROVE THE FAIRYTALE TOWN FEE EXEMPT
ADMISSION POLICY FOR FRIENDS OF FAIRYTALE TOWN MEMBERS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO

1. That effective January 1, 1989, a Friends of Fairytale non-profit support organization and their bylaws will go into effect to generate funds for improvements and development of new Fairytale Town sets.
2. That the City of Sacramento Fees and Charges Report (pages 68a and 68b for Fairytale Town) are hereby amended to reflect the request for fee exempt admission for Friends of Fairytale Town members.

MAYOR

ATTEST:

CITY CLERK

PARKS AND COMMUNITY SERVICES - ZOO DIVISION

I. ZOO

Standard Admission

Ages 2 years and under	Fee exempt
Ages 3 through 12 years	\$1.00
Ages 13 through 64 years	\$2.50
Ages 65 and over	\$1.00

Group Rate (for organized groups of 25 or more persons with one week notification):

Ages 2 years and under	Fee exempt
Ages 3 through 12 years	\$.50
Ages 13 through 64 years	\$1.50
Ages 65 and over	\$.50

Dual Ticketing - Zoo and Fairytale Town

Ages 3-12	\$1.50
Ages 13-64	\$3.50
Ages 65 and over	\$1.75

Fee Exemptions

All organized school groups with one week's notification. One to ten student/adult ratio on regular school days only.

All physically/mentally handicapped groups with one week's notification on weekdays only. Assistance requirements depending on user group.

Sacramento Zoological Society Members shall be admitted into the Zoo at all times, upon presentation of a valid membership card.

All other zoological societies' members whose societies participate in a reciprocal agreement for the fee exempt admission under the auspices of the AAZPA shall be admitted into the Zoo at all times, upon presentation of a valid membership card.

Special Fees

For special short-term promotions of the Zoo, the admission fees may be modified at the discretion of the Director of Parks and Community Services as long as there is no significant revenue loss.

II. FAIRYTALE TOWN

Standard Fees

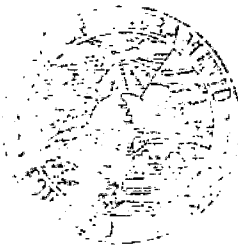
Ages 0 - 2 years	Fee exempt
Ages 3 - 12 years	\$0.75
Ages 13 - 64 years	1.50
Ages 65 and over	1.00

II. FAIRYTALE TOWN (cont.)

School Groups		
Students		\$0.50
Accompanying adults		\$1.00
Group Rates (25 or more entering at one time)		
Adult		\$1.25
Children		\$0.50
Senior		\$0.75
Dual Ticketing - Zoo and Fairytale Town		
Ages 3-12		\$1.50
Ages 13-64		\$3.50
Ages 65 and over		\$1.75
Rental		
Rental fee, per hour or fraction thereof, minimum 2 hours		\$100.00
Alcoholic Beverage Surcharge		\$25.00
Surcharge will be made for the use of alcoholic beverages. In addition, approved security will be required at a ratio of one security guard for every 150 persons and meet the standard \$500,000 insurance requirement.		
Cleaning/Security		\$100.00 deposit
If cleaning of or damage to the facility is in excess of the deposit, the user will be billed for the additional amount.		
Fund-Raising Permit		\$ 25.00

Fee Exemptions

Friends of Fairytale Town members shall be admitted into Fairytale Town at all times, upon presentation of a valid membership card.



20

**DEPARTMENT OF PARKS
AND COMMUNITY SERVICES**

ROBERT P. THOMAS
DIRECTOR

G. ERLING LINGGI
ASSISTANT DIRECTOR

WALTER S. UEDA
DEPUTY DIRECTOR

Budget and Finance Committee
Sacramento, California

CITY OF SACRAMENTO
CALIFORNIA

September 16, 1988

1231 I STREET
SUITE 400
SACRAMENTO, CA
95814-2977

916-449-5200

DIVISIONS.
CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM AND HISTORY
PARKS
RECREATION
ZOO

Honorable Members in Session:

SUBJECT: Establishment of Friends of Fairytale Town Non-Profit Support
Organization With Modification To Entrance Fees.

SUMMARY

This report provides information regarding the establishment of a non-profit support organization entitled Friends of Fairytale Town. The organization will create a membership system to generate funds for the development of new structures and to improve existing structures within the Fairytale Town facility. Further, this report recommends formalizing and modifying a fee exempt Fairytale Town admission policy for members of the Friends of Fairytale Town commencing January 1, 1989.

BACKGROUND INFORMATION

Fairytale Town, located in William Land Park across from the Sacramento Zoo, opened on August 29, 1959. From that time to the present 7,396,004 visitors have enjoyed this magic land of nursery rhyme and fairytales brought to life through colorful sets.

Fairytale Town Inc. was formed in May, 1956 and consisted of a fifteen member Board of Directors. An agreement was made and entered into on July 18, 1957 between the City of Sacramento and Fairytale Town, Inc. for support of Fairytale Town. On June 15, 1988, the Fairytale Town Board of Directors met and approved new bylaws for the incorporation of a new membership structure similar to those used by the Sacramento Zoological Society (Attachment I). The new bylaws state that the corporation, Fairytale Town, Inc., is authorized to operate under the name Friends of Fairytale Town. As with the Zoological Society, History, Inc., and CAMA, the bylaws allow the Friends of Fairytale Town to have a membership program.

The Fairytale Town trust was established in FY 1982/83. All admission and concessions revenue are deposited into the trust which is utilized to reimburse the general fund for operating costs. Most recently profits from the Funderland and Pony concessions within Land Park have also been placed into the Fairytale Town Trust. In order to insure continued maintenance and improvement to the Fairytale Town facility, a non-profit support group has been formed similar to the Sacramento Zoological Society. A membership structure for Friends of Fairytale Town has been developed to be administered on a calendar year basis as follows:

Family Membership	\$20
Grandparents Membership	\$15
Sponsor	\$50
Contributor	\$100

The revenue from the membership will be utilized to maintain and improve current sets and create new and exciting sets in the future. The Friends of Fairytale Town will adhere to the Bylaws adopted June 15, 1988 (Attachment I), which states in Article 2, section 2.01 that "the purposes of the corporation as stated in the Articles of Incorporation are to collect, hold and disburse money for the construction, maintenance and improvement of a children's playland area to be located upon the property of the City of Sacramento and to act as an advisory body to said City of Sacramento in the operation, maintenance and development of said area; all of the foregoing for the purpose of providing education and recreation for the children of the community and not for profit."

FINANCIAL DATA

Attendance to Fairytale Town has increased 41% over the last five years (FY83/84 thru FY87/88). This fall, a new entrance with expanded gift shop will be in operation which will increase revenue. Membership fees collected by the Friends of Fairytale Town non-profit support organization will be used for improvements and development of sets within the Fairytale Town facility. The direct loss in gate revenue would be compensated in concessions income, promotional events, workshops and volunteer programs similar to the functions of the Zoological Society.

RECOMMENDATION

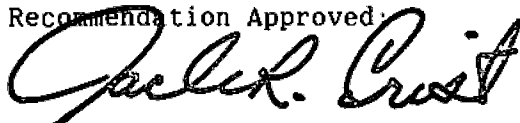
It is recommended that the Budget and Finance Committee approve this report and refer it to the full City Council for action. Further, it is recommended that the City Council approve, by resolution, the Fairytale Town fee exempt admission policy for Friends of Fairytale Town members commencing January 1, 1989.

Respectfully submitted,



Robert P. Thomas, Director
Parks and Community Services

Recommendation Approved:



Jack R. Crist
Deputy City Manager

September 27, 1988
District No. 4

BYLAWS OF
FAIRYTALE TOWN INC.
A Non-Profit Corporation

Article 1

NAME

1.01 The name of this corporation is Fairytale Town Inc. The corporation is authorized to operate under the name of Friends of Fairytale Town.

Article 2

PURPOSES

2.01 The purposes of the corporation as stated in the Articles of Incorporation are to collect, hold and disburse money for the construction, maintenance and improvement of a children's playland area to be located upon the property of the City of Sacramento and to act as an advisory body to said City of Sacramento in the operation, maintenance and development of said area; all of the foregoing for the purpose of providing education and recreation for the children of the community and not for profit.

Article 3

OFFICES

3.01 Principal Office. The principal office of the corporation for the transaction of business is located in the City of Sacramento, County of Sacramento, State of California.

3.02 Change of Address. The board of directors is hereby granted full power and authority to change the principal office of the corporation from one location to another in California. Any such change shall be noted in these bylaws by the secretary, but shall not be considered an amendment to these bylaws.

Article 4

MEMBERS

4.01 Classes and Rights. There shall be such classes of membership in the corporation, with such rights, privileges, preferences, restrictions and conditions as the board of directors may from time to time determine by resolution. No person may hold more than one membership in either the same or different classes.

4.02 Qualification. Any person dedicated to the purposes of the corporation shall be qualified for membership upon acceptance of such person's application by the board of directors, or an officer or committee designated by the board, and satisfaction of such other conditions or requirements as the board of directors may from time to time prescribe, including without limitation payment of any dues or fees.

4.03 Fees, Dues and Assessments. Each member in good standing must pay, within the time and on the conditions set by the board of directors, such fees or dues as may be fixed from time to time by the board of directors.

4.04 Termination of Membership. The membership of any member shall terminate upon such member's resignation, retirement, death, dissolution or expulsion, or upon expiration of the period of time for which the membership was issued, unless the membership is renewed.

4.05 Transfer of Memberships. No member may transfer for value a membership or any right arising therefrom.

4.06 Honorary Members. The board of directors may designate persons as honorary members upon such conditions and with such rights as the board shall determine.

Article 5

MEETINGS OF MEMBERS

5.01 Place of Meetings. Meetings of members shall be held at any place, within or without California, which is designated by the board of directors or the president.

5.02 Annual Meeting. The annual meeting of members shall be held during the month of October of each year at such time and place as fixed by the board of directors.

5.03 Special Meetings. Special meetings of the members may be called at any time by the president, any vice president, the secretary or any two members of the board of directors. In addition, special meetings of their replacements may be called by five (5) percent or more of the members.

5.04 Notice.

(a) Annual and Special Meetings. A written notice of each meeting of members shall be given not less than ten (10) nor more than ninety (90) days before the meeting to each member who on the record date for notice of the meeting is entitled to vote at the meeting; provided, however, that if notice is given by mail but not first class, registered or certified mail, such notice shall be given not less than twenty (20) days before the meeting. The notice shall state the place, date and hour of the meeting, and if directors are to be elected at the meeting, the names of all persons who are nominees at the time the notice is given to members. The notice shall also state the general nature of each item of business to be transacted and that no other business may be transacted. The notice of any meeting at which approval of the members will be sought, as required by law, shall state the general nature of the proposal with respect to which approval will be so sought. Notice shall be given either personally or by mail, or other means of written communication, addressed to the member at the address of such member appearing on the books of the corporation, at the address given by the member to the corporation for the purpose of notice, or as otherwise provided by law. Upon written request to the president of the board, the secretary or any vice president of the corporation or to any person entitled to call a special meeting of members, (unless the matter specified in the request is not appropriate for membership action), the person receiving such request shall cause a notice to be given to the members entitled to vote that a meeting will be held at a time fixed by the board of directors, not less than thirty-five (35) nor more than ninety (90) days after receipt of the request.

(b) Adjourned Meetings. Notice of an adjourned meeting need not be given if (i) the meeting is adjourned for forty-five (45) days or less, (ii) the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, and (iii) no new record date is fixed for the adjourned

meeting. Otherwise, notice of the adjourned meeting shall be given as in the case of an original meeting.

5.05 Record Date.

(a) Determination. The board of directors may fix in advance a record date for the purpose of determining the members entitled to notice of any meeting, to vote, to cast written ballots or to exercise any other rights. The record date for determining those members entitled to receive notice of a meeting of members shall not be more than sixty (60) nor less than ten (10) days before the date of the meeting. The record date for determining those members entitled to vote at a meeting of members shall not be more than sixty (60) days prior to such other action.

(b) No Record Date Fixed. If no record date is fixed: (i) members at the close of business on the business day preceding the day on which notice is given, or if notice is waived, at the close of business on the business day preceding the day on which the meeting is held, are entitled to notice of a meeting of members; (ii) members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting of members; (iii) members on the day the first written ballot is mailed or solicited who are otherwise eligible to vote are entitled to cast written ballots; (iv) members at the close of business on the day on which the board adopts a resolution relating to any other lawful action, or the 60th day prior to the date of such other action, whichever is later, are entitled to exercise rights respecting such action.

(c) Record Members Only. Except as otherwise provided by law, only members in good standing on the record date are entitled to notice, to vote, to cast ballots or to exercise other rights, as the case may be, notwithstanding any transfer of membership on the books of the corporation occurring after the record date. Except as otherwise provided by law, the corporation shall be entitled to treat the holder of record of any membership as the holder in fact of such membership and shall not be bound to recognize any equitable or other claim to or interest in such membership on the part of any other person, whether or not the corporation shall have express or other notice of such claim or interest.

(d) Adjournment. Unless the board of directors fixes a new record date, a determination of members entitled to notice of, to vote at or to exercise other rights at a meeting

of members or to cast written ballots shall apply to any adjournment of the meeting or any postponement of the deadline for receipt of ballots; provided, however, that if no record date has been fixed, members on the day of an adjourned meeting who are otherwise eligible to vote are entitled to vote at the adjourned meeting of members.

5.06 Meetings Without Regular Call and Notice. The transactions of any meeting of members, however called and noticed and wherever held, are as valid as though had at a meeting duly held after regular call and notice if a quorum is present in person or by proxy and if, either before or after the meeting, each of the persons entitled to vote who is not present at the meeting in person or by proxy signs a written waiver of notice, a consent to the holding of the meeting or an approval of the minutes of the meeting. Attendance of a person at a membership meeting shall constitute a waiver of notice of such meeting unless, at the beginning of the meeting, the person objects to the transaction of any business because the meeting was not lawfully called or convened or, with respect to the consideration of a matter required to be included in the notice for the meeting which was not so included, the person expressly objects to such consideration at the meeting. Any written waiver of notice or consent respecting a meeting at which approval of the members was or will be sought as required by law shall state the general nature of the proposal with respect to which approval was or will be so sought.

5.07 Quorum and Required Vote. Twenty-five (25) percent of the voting power or twenty-five (25) members, whichever is less, represented in person or by proxy at a meeting, shall constitute a quorum for the transaction of business.

5.08 Proxies. A member may be represented at any meeting of members by a written proxy signed by the person entitled to vote or by such person's duly authorized attorney-in-fact.

5.09 Voting. Except as otherwise provided in these Bylaws, in the articles of incorporation or by law, each member in good standing shall be entitled, regardless of membership class, to one vote on each matter submitted to a vote of the members. Upon the demand of any member made at a meeting before the voting begins, the election of directors shall be by ballot. Cumulative voting shall not be permitted.

Article 6

DIRECTORS

6.01 Number and Qualifications. The authorized number of elected directors of the corporation shall be fifteen (15). Except for the directors in office at the time of the adoption of these bylaws, each director shall be a member of the corporation at the time of election and remain a member while serving in such office.

6.02 Ex Officio Director. The Superintendent of the Sacramento Zoo shall be an ex officio member of the board of directors but shall have no right to vote or to hold office.

6.03 Powers. Subject to the limitations imposed by law or contained in the articles of incorporation or these bylaws, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the ultimate direction of the board of directors.

6.04 Term of Office. Directors, with the exception of the ex officio director and the directors in office at the time of the adoption of the bylaws shall be elected annually by the members to terms of three (3) years. Each director shall serve for a term commencing on the first day of January following his or her election and ending December 31st three years later. The directors in office at the time of the adoption of the bylaws shall continue in office. Such directors shall be divided into 3 groups, one of which shall have terms of ending December 31, 1989, one of which shall have terms ending December 31, 1990 and one of which shall have terms ending December 31, 1991. The selection of the terms for the directors shall be done by lot.

6.05 Vacancies. Vacancies on the board of directors may be filled by a majority of the directors then in office, regardless of whether they constitute a quorum, or by a sole remaining director. The members may elect a director at any time to fill a vacancy not filled, or which cannot be filled, by the board of directors. Any director appointed or elected to fill a vacancy shall serve for the remainder of the term of the replaced director.

6.06 Nominating Committee. At least sixty (60) days before the date of any election of directors, the president of the board of directors shall establish a nominating committee of at least three members to select qualified candidates for

election to the board of directors. At least thirty (30) days before the date of the election, the nominating committee shall report to the board of directors nominees for each vacancy on the board to be filled at such election. Only persons designated by the nominating committee or nominated by the members in accordance with these bylaws or the law shall be deemed nominated candidates. The list of nominees shall be forwarded by the secretary, in accordance with the provisions for notice contained in these bylaws, to each member entitled to vote, not more than ninety (90) nor less than ten (10) days before the date of the election; provided, however, that if the list of candidates is forwarded by mail, such list shall be forwarded not less than twenty (20) days before the election preceding the date of the election.

6.07 Nominations by Members. Subject to these bylaws, any member may nominate candidates for the board of directors. The notice of any meeting at which directors are to be elected, and any form or proxy distributed to members, must include the names of all persons who are nominees at the time notice is given.

6.08 Removal.

(a) For Cause. The board of directors may declare vacant the office of any director who has been declared to be of unsound mind by final court order, who has been convicted of a felony, who has been found by a final court order or judgment to have breached any duty under section 5230 (relating to standards of conduct) of the California Nonprofit Corporation Law, or who has failed to attend at least fifty (50) percent of all meetings of the board of directors during any year.

(b) Without Cause. Any or all of the directors may be removed without cause if such removal is approved by a majority of the members of the corporation.

6.09 Resignation. Any director may resign by giving notice to the president of the board, the secretary or the board of directors. The resignation of a director shall be effective when notice is given, unless the notice specifies a later time. The resignation shall be effective regardless of whether it is accepted by the corporation. Except upon notice to the Attorney General of the State of California, no director may resign when the corporation would then be left without a duly elected director or directors in charge of its affairs.

6.10 Compensation. No director shall receive compensation as such, or compensation for attending meetings of the board or committees; provided, however, that upon approval of the executive committee, a director may receive reimbursement for expenses reasonably incurred in furtherance of the activities of the corporation.

6.11 Executive Committee. The corporation shall have an executive committee, which shall be a committee of the board of directors, composed of the four board officers and the Zoo Director. The president of the board of directors shall serve as chairman of the executive committee. Regular meetings of the executive committee may be held prior to board meetings to plan the meeting agendas and propose annual budgets of the corporation for adoption by the board of directors.

6.12 Special Committees of the Board. The president of the board of directors may create one or more special committees of the board, each consisting of two (2) or more directors, to serve at the pleasure of the president.

6.13 Inspection of Records and Properties. Each director may inspect all books, records, documents and physical properties of the corporation at any reasonable time. The right of inspection includes the right to copy and make extracts.

6.14 Time and Place of Meetings and Telephone Meetings. The board of directors shall hold its organizational meeting immediately following the annual meeting of members. Other regular meetings of the board of directors shall be held at such times as the board may determine, but no less often than quarterly. All meetings of directors shall be held at the principal office of the corporation or at such other place, within or without California, as shall be designated in the notice of the meeting or in a resolution of the board of directors. Directors may participate in a meeting through use of a conference telephone or similar communications equipment, provided that all members so participating can hear each other.

6.15 Call. Special meetings of the board of directors may be called by the president of the board, the secretary, any vice president or any two directors.

6.16 Notice. Regular meetings of the board of directors may be held without notice if the time and place of such meetings have been fixed in these bylaws or by the board. Special meetings shall be held upon 4 days' notice by first

class mail or 48 hours notice delivered personally or by telephone or telegraph, and regular meetings shall be held upon similar notice if notice is required for such meetings. Neither a notice nor a waiver of notice must specify the purpose of any regular or special meeting. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, but if a meeting is adjourned for more than 24 hours, notice of the adjourned meeting shall be given prior to the time of such meeting to the directors who were not present at the time of the adjournment.

6.17 Meeting Without Regular Call and Notice. The transactions of any meeting of the board of directors, however called and noticed and wherever held, are as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a written consent to the holding of the meeting or an approval of the minutes of the meeting. For such purposes, a director shall not be considered present at a meeting if, although in attendance at the meeting, the director protests the lack of notice prior to the meeting or at its commencement.

6.18 Action Without Meeting. Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all of the members of the board individually or collectively consent in writing to such action.

6.19 Quorum and Required Vote. One-half (1/2) of the directors then in office shall constitute a quorum for the transaction of business. 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 present at a meeting, whether or not a quorum is present, may adjourn the meeting to another time and place.

6.20 Indemnification of Directors, Officers, Employees and Certain Others.

(a) Right of Indemnity. To the full extent permitted by law, the corporation shall indemnify its directors, officers, employees and other persons described in section 5238(a) of the California Nonprofit Corporation Law, including

persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in such section, including without limitation an action by or in the right of the corporation, an action brought under section 5233 (self-dealing transactions) of the California Nonprofit Corporation Law and an action brought by the Attorney General or a person granted related status by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was a person described by such section. "Expenses," as used in this article, shall have the same meaning as in section 5238(a) of the California Nonprofit Corporation Law.

(b) Approval of Indemnity. Upon written request to the board of directors by any person seeking indemnification under section 5238(b) or section 5238(c) of the California Nonprofit Corporation Law, the board shall promptly determine in accordance with section 5238(e) whether the applicable standard of conduct as set forth in section 5238(b) or section 5238(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to such proceeding, the board shall promptly call a meeting of members. At such meeting, the members shall determine in accordance with section 5238(e) whether the applicable standard of conduct set forth in section 5238(b) or Section 5238(c) has been met, and, if so, the members present at the meeting in person or by proxy shall authorize indemnification. If practicable, approval of indemnification by the members may, in lieu of a meeting of members, be sought and determined by written ballot in accordance with these bylaws and section 5238(e) of the California Nonprofit Corporation Law.

(c) Advancement of Expenses. To the full extent permitted by law and except as is otherwise determined by the board of directors in the specific instance, expenses incurred by a person seeking indemnification under this article in defending any proceeding covered by this article shall be advanced by the corporation prior to the final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that such person is entitled to

be indemnified by the corporation therefor.

Article 7

OFFICERS

7.01 Titles and Relation to Board of Directors. The officers of the corporation shall include a president, a vice president, a secretary and a treasurer. The board of directors may also appoint one or more vice presidents, assistant secretaries, assistant financial officers or other officers. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as president of the board. All officers shall perform their duties and exercise their powers subject to the direction of the board of directors.

7.02 Appointment, Term of Office and Vacancies. The officers of the corporation shall be appointed by the board of directors. The board may appoint officers or fill vacant offices at its organizational meeting or at any other time. Nominations for officers shall be presented to the board, by the nominating committee established pursuant to these bylaws, at the board's organizational meeting or at any other time requested by the board. The officers shall hold office until their successors are chosen, except that the board of directors may remove an officer at any time subject to such officer's rights, if any, under a contract of employment.

7.03 Resignation. Any officer may resign at any time upon written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. The resignation of an officer shall be effective when notice is given, unless the notice specifies a later time. The resignation shall be effective regardless of whether it is accepted by the corporation.

7.04 Responsibilities of Officers.

(a) President. The president of the board shall preside over all meetings of the board of directors. In the absence of the president, the vice president, secretary or treasurer of the board shall preside over board meetings. The president shall have such other powers and duties as may be prescribed by the board of directors or these bylaws.

(b) Vice President. In the absence or disability

of the president, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president.

(c) Secretary. Unless otherwise determined by the board of directors, the secretary shall: (i) attend all meetings of members and the board of directors and shall record all votes and the minutes of such meetings in a book to be kept at the principal office of the corporation or at such other place as the board may determine; (ii) keep, at the principal office of the corporation, an up-to-date original or copy of the corporation's articles of incorporation and bylaws; (iii) give such notice as may be required by law or these bylaws; and (iv) keep, at the principal office of the corporation or at such other place as the board may determine, a record of the members and their addresses, the class of membership held by each, if applicable, and the dates of commencement and expiration, suspension, termination or cancellation for each membership.

(d) Treasurer. Unless otherwise determined by the board of directors, the treasurer shall have custody of the corporate funds, shall keep adequate and correct accounts of the corporation's properties and business transactions, shall disburse such funds of the corporation as may be ordered by the board or the president, taking proper vouchers for such disbursements, and shall render to the president and the board, at regular meetings of the board or whenever the board may require, an account of all transactions and the financial condition of the corporation.

7.05 Other Officers. The other officers of the corporation, if any, shall exercise such powers and perform such duties as the board of directors or the president shall prescribe.

Article 8

REPORTS

8.01 Reports to Members and Directors.

(a) Annual Report. Not later than 120 days after the close of each fiscal year, the corporation shall furnish to all members and directors a report containing the following information, in appropriate detail and accompanied by a report of independent accountants or (if there is no report of

independent accountants) the certificate of the treasurer or other authorized officer that such information was prepared without audit from the books and records of the corporation:

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

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

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

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

(v) Any information required by subsection (b) below.

(b) Annual Statement. For purposes of this subsection (b), a "covered transaction" is a transaction in which the corporation, its parent or its subsidiary was a party, and in which any director or officer of the corporation, its parent or its subsidiary had a direct or indirect material financial interest (other than a mere common directorship). The corporation shall include in the annual report to members and trustees required by subsection (a) above a statement briefly describing:

(i) Any covered transaction during the previous fiscal year involving more than \$50,000.00, or which was one of a number of covered transactions in which the same interested person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than \$50,000.00. The description shall include the names of the interested person or persons involved in such transaction, such person's relationship to the corporation, and the nature of such person's interest in the transaction and, where practicable, the amount of such interest.

(ii) The amount and circumstances of any

indemnifications or advances aggregating more than \$10,000.00 paid during the fiscal year to any officer or director of the corporation and not approved by the members.

Article 9

MISCELLANEOUS

9.01 Magazine Notice or Report. Any notice or report mailed or delivered to members pursuant to these bylaws, including but not limited to a notice of membership meeting, written ballot or annual report, may be mailed or delivered as part of the corporation's magazine, calendar or other organ regularly sent to members, if such magazine, calendar or other organ is addressed to each member entitled to receive the notice or report (or, in the case of members who are residents of the same household and who have the same address on the book of the corporation, addressed to one of such members) at the address appearing on the books of the corporation.

9.02 Amendment of Bylaws. Bylaws may be adopted, amended or repealed by approval of the members; provided, however, that such adoption, amendment or repeal also requires approval by the members of a class if such action would materially and adversely affect the rights of that class as to voting or transfer in a manner different than such action would affect another class. Except as provided in section 5151 (number of directors), section 5220 (increasing directors' terms of office/designated or selected by directors), section 5224 (filling vacancies on the board occurring by removal), section 5512 (increasing membership quorum), section 5613 (proxy rights) and section 5616 (cumulative voting) of the California Nonprofit Corporation Law, bylaws may be adopted, amended or repealed by a 2/3rds vote of the members of the board, unless such action would materially and adversely affect the rights of members as to voting or transfer of memberships.

Article 10

DISSOLUTION

Upon the dissolution or winding up of this corporation any assets remaining after paying or adequately providing for the debts or obligations of the corporation shall be distributed to the City of Sacramento, a Municipal corporation of the State of California, to be used by said city for the care,

support, maintenance, development and beautification of any of the City's children's playground areas.

-oOo-

This is to certify that the foregoing is a true and correct copy of the amended bylaws of Fairytale Town Inc. and that such bylaws were duly adopted by the board of directors of such corporation at a regular meeting thereof held on _____, 1988.

DATED: _____

Secretary