

LAW OFFICES

KARNO & FISHER

A PROFESSIONAL CORPORATION
MANUFACTURERS BANK BUILDING-PENTHOUSE SUITE
16255 VENTURA BOULEVARD
ENCINO, CALIFORNIA 91436
(213) 981-3400 AND 872-1800

NORTON S. KARNO
JAMES O. FISHER
STEPHEN A. LENSKE
MARSHALL N. SCHWARTZ
SHERMAN D. LENSKE
JOSEPH M. COBERT
EVAN B. SCHENKEL
JUDY L. GRAY
KENNETH MILLER

FILE NUMBER

June 26, 1978

Mrs. Jean Brown
P.O. Box 15023
San Francisco, California 94115

Re: By-Laws of People's Temple of
the Disciples of Christ

Dear Mrs. Brown:

Pursuant to various telephone conferences with you and other members of the Church, the purpose of this letter is to set forth the major ambiguities in the above mentioned By-Laws; and to pose certain key substantive questions, the answers to which are necessary in order for us to draft new By-Laws for the corporation. Please realize that this list is not wholly comprehensive, but rather includes only the major ambiguities affecting control of the corporation. The following then is a section by section analysis of the By-Laws.

1. Section 3.02 does not adequately define the qualifications of an associate member. For example, is a membership card automatically given to each person over the age of eighteen who is in sympathy with the purposes of the Church and genuinely desires to work towards fulfillment of its purposes and programs, or must membership be approved by the voting members or Board of Directors?

2. Section 3.03 states that an election of a director operates to make said director a voting member. Removal of a director will reciprocally terminate the director's voting status. Section 3.07 states that a voting member can be removed by a three-fourths majority vote of the total authorized voting membership. Yet, Section 4.12 only requires a simple majority vote of the directors for removal. It is our understanding that there is a total overlap at this time between directors and voting members. Hence, the different removal procedures seem to permit inconsistent results.

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3. Section 3.03 provides that associate members may be elected to voting status. How many votes are necessary for such election? Further, this section provides that when a person ceases to be a director, he or she ceases to be a voting member. Does that person also cease to be an associate member?

4. Section 3.04 states that each voting member is entitled to one vote. In Section 4.03 directors are elected by voting members. Section 4.01 provides for seven directors. Yet, unless there are more than seven voting members, seven directors cannot be elected if each voting member has only one vote. Secondly, even if there were seven voting members each director would only receive one vote each, but in effect this curtails the election process. From the examples stated, the ambiguities within the procedure for electing directors are most apparent. These sections should be rewritten to accurately describe the election process.

5. Section 3.06 provides for termination of associate member status for good cause upon majority vote after notice and a fair hearing. What are the guidelines for such hearing and before what body is the hearing conducted?

6. Section 3.07 provides for termination of voting status for cause by a three-fourths majority vote of the total "authorized" voting membership. Is there a difference between voting members and "authorized" voting members? Does termination as a voting member mean expulsion from the organization or does it mean reduction to the status of an associate member?

7. Section 3.09 which dictates the special meeting procedures appears to be in the conjunctive, although said section apparently should be in the disjunctive.

8. Section 4.02 implies the existence of a process by which a member is nominated to be a director of the organization. Who nominates such person and what are the qualifications for nomination? Sections 5.01 and 5.02 provide for the number of officers and their election. Are the officers selected from the associate membership or from the voting membership? If such officers are selected from the associate membership, does such person become a voting member upon election to one of the specified offices?

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9. Article VII briefly provides for the appointment of committees. This provision should be amplified by enumerating your current standing committees and providing rules and guidelines for the conduct of business within the committees and for reporting to the Board of Directors or membership.

10. Article VIII of the Articles of Incorporation as amended by Amendment filed with the Secretary of State on July 3, 1974, states as follows:

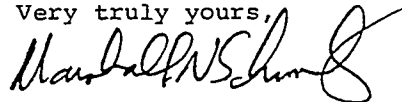
"The authorized number, if any, and qualifications of members of the corporation, the filling of vacancies, the different classes of membership, if any, the property, voting and other rights and privileges of members, and their liability to dues and assessments and the method of collection, and the termination and transfer of membership shall be as stated in the By-Laws"

Most of the items referred to in the Article are not provided for in the current By-Laws. You should give thought to how you want these matters treated in the By-Laws and so advise us.

After you have reviewed this letter and the corresponding sections of your current By-Laws, kindly advise us as to the requested information. We will then prepare a rough draft based upon your answers. This draft should be reviewed by the voting members and/or Board of Directors for their comments. We will then prepare a final draft of the By-Laws based upon any comments as to the preliminary draft.

Should you have any questions regarding any of the matters contained herein, please do not hesitate to call.

Very truly yours,



MARSHALL N. SCHWARTZ
for Karno & Fisher
A Professional Corporation

MNS:law

NN-1-E3

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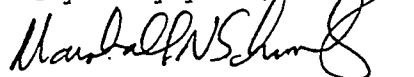
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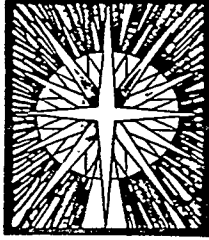
Very truly yours,



MARSHALL N. SCHWARTZ
for Karno & Fisher
A Professional Corporation

MNS:law

NN-1-M3



PEOPLES TEMPLE

OF THE
DISCIPLES OF CHRIST

Jim Jones,
Pastor

August 25, 1978

*"For I was an hungered
and ye gave me meat:
I was thirsty
and ye gave me drink;
I was a stranger
and ye took me in;
Naked, and ye clothed me;
I was sick and ye visited me;
I was in prison,
and ye came unto me.*

*"Then shall the righteous
Answer him, saying,
When saw we thee an hungered
And fed thee?
Or thirsty,
And gave thee drink?
When saw we thee a stranger
And took thee in?
Or naked, and clothed thee
Or when saw we thee sick?
Or in prison,
And came unto thee?"*

*"Verily I say unto you,
Inasmuch as ye have done it
Unto one of the least of these...
...Ye have done it unto me"*

Matthew 25:35-40

Mr. Marshall Schwartz, Attorney
c/o Karno and Fisher
16255 Ventura Blvd.
Encino, CA 91436

Dear Mr. Schwartz:

In answer to your letter of August 18, 1978, we have forwarded your evaluation of the corporation By-laws to our directors who are overseas in Guyana. It will undoubtedly take several more weeks before they will be able to consolidate a reply and advise us of the course of action they wish to follow. The mail accounts for a four week delay there and back in itself.

We appreciate your help very much and will have a reply to you as soon as possible.

Very truly yours,

Jean F. Brown
Jean F. Brown

NN-1-91

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August 18, 1978

Mrs. Jean Brown
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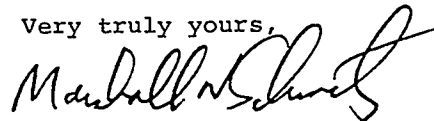
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Dear Mrs. Brown:

On June 26, 1978, we sent to you a letter setting forth the major ambiguities in the above mentioned By-Laws; and to pose certain key substantive questions, the answers to which were necessary in order for us to draft new By-Laws for the corporation. As of this date, we have not received any response from you regarding these matter. Please respond to this letter at your earliest convenience.

Thank you for your courtesy and cooperation in this matter. If you should have any questions regarding this matter, please do not hesitate to contact this office.

Very truly yours,



MARSHALL N. SCHWARTZ
for Karno & Fisher
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NN-1-Q2