



American
Jewish
University

BY-LAWS

Of

AMERICAN JEWISH UNIVERSITY

**A California Nonprofit Public Benefit
Corporation**

(As Adopted April 15, 2019)

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ARTICLE I
THE CORPORATION

ARTICLE 1 NAME

Section 1.01 Corporate Name

The name of this corporation is American Jewish University (hereinafter referred to as the "University" or the "Corporation").

ARTICLE 2 OFFICES

Section 2.01 Principal Office

The Corporation's principal office for the transaction of the business is located in the City of Los Angeles, State of California. The board of directors of the Corporation (the "Board") may, by resolution of the Board, establish the principal office at any place or places within or without the State of California.

Section 2.02 Other Offices

The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to transact business.

ARTICLE 3 PURPOSES

Section 3.01 General Purpose

The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law of California ("California Nonprofit Corporation Law") for charitable purposes.

Section 3.02 Specific Purposes

The specific purposes of the Corporation are, without limitation, to:

(a) establish and maintain a university for the study and teaching of Jewish studies, general humanities and other liberal arts and, to this end, to maintain programs (i) for the furtherance of research, (ii) for the advancement of scholarship, and (iii) for the education and training of teachers and leaders for educational, recreational and philanthropic purposes.

(b) serve as a center for the creative arts, and to house a library and museum; and

(c) confer academic or professional degrees, and issue diplomas or certificates.

Additionally, the Corporation may engage in any activities that are reasonably related to or in furtherance of its stated charitable purposes, or in any other charitable activities.

ARTICLE 4 LIMITATIONS

Section 4.01 Political Activities

The Corporation has been formed under California Nonprofit Corporation Law for the charitable purposes described in Article 3, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.02 Prohibited Activities

The Corporation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article 3. Furthermore, nothing in Article 3 shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.

ARTICLE 5 DEDICATION OF ASSETS

Section 5.01 Property Dedicated to Nonprofit Purposes

The property of the Corporation is irrevocably dedicated to charitable purposes. No part of the net income or assets of the Corporation shall ever inure to the benefit of any of its Directors or Officers, or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

Section 5.02 Distribution of Assets Upon Dissolution

Upon the dissolution or winding up of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to one or more nonprofit funds, foundations, or corporations organized and operated exclusively for charitable purposes whose religious and educational objectives and goals are consistent with those of the Corporation, which have established their tax exempt status under Section 501(c)(3) of the Code and who are exempt from taxation under California Revenue and Taxation Code Section 214.

ARTICLE 6 MEMBERS

Section 6.01 Members

The Corporation shall have no members within the meaning of section 5056 of the California Nonprofit Corporation Law.

Section 6.02 Non-Voting Members

The Board may adopt policies and procedures for the admission of associate members or other designated members who shall have no voting rights in the Corporation. Such associate or other members are not "members" of the Corporation as defined in section 5056 of the California Nonprofit Corporation Law.

ARTICLE 7 DIRECTORS

Section 7.01 Number

The authorized number of directors of the Corporation ("Directors") shall be not less than twenty (20) and not more than fifty-five (55), the exact authorized number to be fixed from time to time, within these limits, by resolution of the Board.

Section 7.02 Corporate Powers Exercised by Board

(a) General Powers

Subject to the provisions of the Articles of Incorporation of the Corporation (the "Articles of Incorporation"), California Nonprofit Corporation Law and any other applicable laws, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, management company or committee however composed (so long as such composition is in compliance with California Nonprofit Corporation Law), provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

(b) Emergency Powers

In the event of and throughout the duration of an "Emergency" (as hereinafter defined), the Board of Directors may take either or both of the following actions that it deems necessary to ensure the continued operation of the Corporation's business and affairs:

- (i) modify lines of succession and the responsibility for the several aspects of the Corporation's operations to accommodate the incapacity of any director, officer, employee or agent resulting from the Emergency;
- (ii) relocate the Corporation's principal office or designate alternative principal offices, or authorize the Corporation's officers to do so.

As used herein, the term "Emergency" shall mean any of the following events or circumstances, the occurrence of which causes an interruption of the Corporation's normal operations:

- (A) A natural catastrophe, including but not limited to, a drought, earthquake, flood, hurricane, tidal wave, tsunami or volcanic eruption; or, regardless of cause, a fire or explosion;

(B) An attack on the State of California or the United States of America, or upon publication by the State of California or the United States Government of notice that an enemy attack is probable or imminent;

(C) An act of terrorism or other man-made disaster that results in extraordinary levels of casualties to population or damage to the California or United States infrastructure, environment, economy, government functions or population , including mass evacuations; and

(D) The declaration of a state of emergency by the President of the United States of America or the Governor of the State of California.

(c) Report on Exercise of Emergency Powers

The Chairperson, or in the absence of the Chairperson, the Vice-Chairperson acting in place of the Chairperson, shall cause a report enumerating actions taken by the Board under Section 7.02(b) to be distributed as soon as practicable to all directors.

(d) No Liability for Good Faith Actions in Event of Emergency

No director shall have any liability for losses suffered by the Corporation as a result of actions taken by the director in good faith under Section 7.02 (b).

Section 7.03 Terms; Election of Successors

Directors shall be elected at each annual meeting of the Board (the "Annual Meeting") for a term commencing at 12:00:00 A.M., Los Angeles time, on the July 1 immediately following the Annual Meeting. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until the election and qualification of a successor, or until that Director's earlier resignation or removal in accordance with these Amended and Restated Bylaws (the "Bylaws") and California Nonprofit Corporation Law.

Directors elected at the Annual Meeting in 2017 shall serve for a term commencing at 12:00:00 A.M., Los Angeles time, on July 1, 2017, and ending at 11:59:59 PM, Los Angeles time, on June 30, 2018.

Commencing with the 2018 Annual Meeting, the directors will be divided into three classes, as nearly equal in size as possible, designated as Class I, Class II and Class III. The directors in Class I will be elected at the 2018 Annual Meeting for a term commencing at 12:00:00 A.M., Los Angeles time, on July 1, 2018, and ending at 11:59:59 P.M., Los Angeles time, on June 30, 2019. The directors in Class II will be elected at the 2018 Annual Meeting for a term commencing at 12:00:00 A.M., Los Angeles time, on July 1, 2018, and ending at 11:59:59 P.M., Los Angeles time, on June 30, 2020. The directors in Class III will be elected at the 2018 Annual Meeting for a term commencing at 12:00:00 A.M., Los Angeles time, on July 1, 2018, and ending at 11:59:59 P.M., Los Angeles time, on June 30, 2021. Beginning with the 2019 Annual Meeting, each class of directors to be elected will be elected for a term of office commencing at 12:00:00 A.M., Los Angeles time, on the July 1 immediately following that Annual

Meeting and ending at 11:59:59 P.M., Los Angeles time, on June 30 in the third year following that Annual Meeting.

In general, directors will be eligible to serve for no more than six consecutive years; *provided, that*, a director's years of consecutive service as a director in the years ending at 11:59:59 P.M., Los Angeles time, on June 30, 2017, will be disregarded. The general six consecutive year service limitation notwithstanding, Class I directors first elected at the 2018 Annual Meeting will be eligible for reelection to two consecutive three-year terms commencing at the 2019 Annual Meeting, and Class II directors first elected at the 2018 Annual Meeting will be eligible for reelection for a three-year term at the 2020 Annual Meeting, but will not be eligible for reelection at the 2023 Annual Meeting.

For the avoidance of doubt, in the event a person who has never served on the Board or who has previously served on the Board but has not served on the Board in the immediately preceding year, is elected to the Board, either at an Annual Meeting or between Annual Meetings, to fill a vacancy in a Board class that is (i) in the final year of its three-year term, that person will be eligible for reelection to the Board for two additional successive three-year terms, or (ii) in the second or third year of its three-year term, that person will be eligible for reelection to one additional three-year term.

Notwithstanding anything else in this Section 7.03:

- (a) the President shall serve as a director of the Corporation for so long as he or she holds the title of President or until his or her earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law;
- (b) the Chairperson (i) shall be elected at an Annual Meeting for a term of three years and until the election and qualification of a successor, or until the Chairperson's earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law, and shall be entitled to serve as a Director and Chairperson for the full three-year term, and subsequently as Past Chairperson (as defined below), even if that would extend the Chairperson's Board tenure beyond the term limitations otherwise set out in this Section 7.03, and (ii) will not be eligible for reelection as Chairperson; and
- (c) the immediate past Chairperson (the "Past Chairperson") shall serve as a director of the Corporation for three years following the conclusion of his or her term as Chairperson or until the Past Chairperson's earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law.

Section 7.04 Vacancies

- (a) Events Causing Vacancies

A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) whenever the number of authorized Directors is increased; or (iii) the failure of the Board, at any meeting at which any Director or Directors are to be elected, to elect the full authorized number of Directors.

A vacancy will not be created by if the Board or the Executive Committee grants a leave of absence to a director.

(b) Removal

The Board may by resolution declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law. Directors may be removed without cause by a majority of Directors then in office.

The Board may by resolution declare vacant the office of a director who fails to attend three consecutive Board meetings during any calendar year without approval from the Chairperson.

(c) No Removal on Reduction of Number of Directors

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and California Nonprofit Corporation Law.

(d) Resignations

Except as provided in this Section 7.04(d), any Director may resign by giving written notice to the Chairperson, the President, the Secretary, or the Board. Such a written resignation will be effective on the later of (i) the date it is delivered or (ii) the time specified in the written notice that the resignation is to become effective. No Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the California Attorney General (the "Attorney General").

(e) Filling Vacancies

If there is a vacancy on the Board, including a vacancy created by the removal of a Director, the Chairperson may fill such vacancy by appointing an additional director, with the approval of the Board, as soon as practicable after the vacancy occurs; provided that if the number of Directors then in office is less than a quorum, additional directors shall be elected by the Board to fill such vacancies by (i) the unanimous written consent of the Directors then in office, (ii) the affirmative vote of a majority of the Directors in office at a meeting held according to notice or waivers complying with section 5211 of the California Nonprofit Corporation Law, or (iii) a sole remaining Director.

Section 7.05 Annual and Regular Meetings

(a) Annual Meeting

The Annual Meeting of the Board (the "Annual Meeting") shall be held each year during the month of June. The election of the members of the Board shall be held at the Annual Meeting. Notwithstanding Section 7.07(b), the notice for the Annual Meeting shall be received by each member of the Board at least five (5) days before the Annual Meeting. The Board may consider and take action upon any item of business at the Annual Meeting, whether or not such item is specified in the notice for the Annual Meeting.

Candidates for election to the Board at the Annual Meeting shall be nominated by the Nominating and Governance Committee for service in a particular Class of the Board and presented to the Board together with the notice of the Annual Meeting required by the first paragraph of this section 7.05(a). Any Director who wishes to nominate another person for Board membership shall have the right to place that person's name in nomination at the start of the Board meeting discussion of the proposed election.

(b) Regular Meetings

Each year, the Board shall hold at least four regular meetings, in March; June; September or October; and December, at the times and places designated by the Chairperson in the notices related to such meetings. For the avoidance of doubt, the Annual Meeting shall be deemed to be a regular meeting for the purpose of determining whether a minimum of four regular meetings have been held in any given year. The Board may consider and take action upon any item of business at a regular meeting, whether or not such item was specified in the notice for such meeting.

Section 7.06 Special Meetings

Special meetings may be called by the President or the Chairperson or upon written request of one-third of the Directors, designating the purpose thereof. The Board may consider and take action at a special meeting only upon the items specified in the notice for such meeting.

Section 7.07 Notice of Meetings

(a) Manner of Giving

Except in the case of a special meeting called to deal with an Emergency, notice of the time and place of all regular and special meetings shall be given to each Director by one of the following methods:

- (i) Personal delivery of written notice;
- (ii) United States Postal Service or overnight delivery ; or
- (iii) Facsimile, electronic mail ("e-mail") or other means of electronic transmission.

All such notices shall be given or sent to the Director's address, facsimile number or e-mail address as shown on the records of the Corporation. Notice of regular meetings may also be given in the form of a calendar or

schedule that sets forth the date, time and place of more than one regular meeting .

In the case of a special meeting called to deal with an Emergency, notice may also be given orally in person or by telephone, including through the use of a telephonic or computerized voice messaging system designed to record and communicate messages. Any oral notice given personally or by telephone may be communicated directly to the Director or to a person who would reasonably be expected to promptly communicate such notice to the Director.

(b) Time Requirements

Notices sent by United States Postal Service or overnight delivery shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, voice messaging system or other system or technology designed to record and communicate messages, facsimile, e-mail or other electronic transmission shall be delivered at least 48 hours before the time set for the meeting.

(c) Notice Contents

The notice shall state the time and place for the meeting, except that if the meeting is scheduled to be held at the principal office of the Corporation, the notice shall be valid even if no place is specified. The subject or subjects proposed to be considered at any meeting shall be stated in the notice.

Section 7.08 Place of Board Meetings

Regular and special meetings of the Board may be held at any place within or outside the state that has been designated in the notice of the meeting, or, if not stated in the notice or, if there is no notice, designated by resolution of the Board. If the place of a regular or special meeting is not designated in the notice or fixed by a resolution of the Board, it shall be held at the principal office of the Corporation.

(a) Meetings by Telephone or Similar Communication Equipment

Any meeting may be held by conference telephone or other communications equipment permitted by California Nonprofit Corporation Law, as long as all Directors participating in the meeting can communicate with one another and all other requirements of California Nonprofit Corporation Law are satisfied. All such Directors shall be deemed to be present in person at such meeting.

Section 7.09 Quorum and Action of the Board

(a) Quorum

Forty percent (40%) of the Directors then in office shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 7.11.

(b) Minimum Vote Requirements for Valid Board Action

Every act taken or decision made by a vote of the majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by California Nonprofit Corporation Law, the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.

(c) When a Greater Vote Is Required for Valid Board Action

The following actions shall require a vote by a majority of all Directors then in office in order to be effective:

- (i) Approval of contracts or transactions in which a Director has a direct or indirect material financial interest as described in Section 10.01 (provided that the vote of any interested Director(s) is not counted);
- (ii) Creation of, and appointment to, Committees (but not advisory committees) as described in Section 8.01;
- (iii) Removal of a Director without cause as described in Section 7.04(b); and
- (iv) Indemnification of Directors as described in Article 11.

Section 7.10 Waiver of Notice

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, and (ii) either before or after the meeting, each of the Directors who is not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent does not need to specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Also, notice of a meeting is not required to be given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice. Directors can protest the lack of notice only by presenting a written protest to the Secretary either in person, by first-class mail addressed to the Secretary at the principal office of the Corporation as contained on the records of the Corporation as of the date of the protest, or by facsimile addressed to the facsimile number of the Corporation as contained on the records of the Corporation as of the date of the protest.

Section 7.11 Adjournment

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 7.12 Notice of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of

the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 7.13 Conduct of Meetings

Meetings of the Board shall be presided over by the Chairperson or, if there is no Chairperson or in the absence of the Chairperson, by a Vice-Chairperson, or in the absence of all Vice-Chairpersons, the President, or in the absence of the President, by a Vice President or, in the absence of each of these persons, by a chairperson of the meeting, chosen by a majority of the Directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by rules of procedure as may be determined by the Board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation, or with any provisions of law applicable to the Corporation.

Section 7.14 Action Without Meeting

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to the action. For the purposes of this Section 7.14 only, "all members of the Board" shall not include any "interested Director" as defined in section 5233 of the California Nonprofit Corporation Law. Such written consent shall have the same force and effect as a unanimous vote of the Board taken at a meeting. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Written consent may be transmitted by first-class mail, messenger, courier, facsimile, e-mail or any other reasonable method satisfactory to the Chairperson or the President.

Section 7.15 Fees and Compensation of Directors

The Corporation shall not pay any compensation to Directors for services rendered to the Corporation as Directors, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board.

Also, Directors may not be compensated for rendering services to the Corporation in a capacity other than as Directors, unless such compensation is reasonable and further provided that not more than 49% of the persons serving as Directors may be "interested persons" which, for purposes of this Section 7.15 only, means:

- (a) any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full or part-time Officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; 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 7.16 Non-Liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

ARTICLE 8 COMMITTEES

Section 8.01 Committees of Directors

(a) Committees Generally

The Board shall have, as standing committees, an Executive Committee, a Nonprofit Integrity Act/Audit Committee (the "Audit Committee"), an Executive Compensation Committee, a Finance Committee, an Investment Committee, an Academic Affairs Committee, a Risk Management Committee, a Nominating and Governance Committee, a Development Committee and a Facilities/Auxiliary Services Committee. In addition, the Board may, by resolution adopted by a majority of the Directors then in office, create one or more other Board Committees (any of such standing committees and any other committee established by the Board being referred to herein as a "Committee"). Except as provided otherwise herein, each Committee shall consist of two or more Directors, appointed by, and to serve at the discretion of the Board. Non-Directors may serve on any Committee that does not exercise the authority of the Board. The Board will designate the chairperson and Vice-Chairperson of each Committee annually. Any Committee, to the extent provided in these Bylaws or a resolution of the Board, may be given the authority of the Board, consistent with the duties and responsibilities specifically delegated to the Committee in the Committee's Board-approved charter, except that no Committee may:

- (i) approve any action for which the California Nonprofit Corporation Law also requires approval of the members or approval of a majority of all members, regardless of whether the Corporation has members;
- (ii) fill vacancies on the Board or on any Committee that has the authority of the Board;
- (iii) fix the compensation of the directors for serving on the Board or any committee;
- (iv) amend or repeal Bylaws or adopt new Bylaws;
- (v) amend or repeal any resolution of the Board which by its express terms is not so amendable or repeal-able;
- (vi) appoint any other Committees or the members of these Committees;

- (vii) expend corporate funds to support a nominee for Director after more persons have been nominated than can be elected; or
- (viii) approve any transaction (i) between the Corporation and one or more of its Directors or (ii) between the Corporation and any entity in which one or more of its Directors have a material financial interest.

(b) Committee Charters

Each standing Committee listed in Section 8.01 (a) or hereafter established by the Board shall prepare and submit a charter governing such Committee's authority and responsibilities for approval by the Board.

Section 8.02 Meetings and Action of Board Committees

Meetings and action of Committees shall be governed by, and held and taken in accordance with, the provisions of Article 7 concerning meetings of Directors, with such changes in the context of Article 7 as are necessary to substitute the Committee and its members for the Board and its members, except that the time for regular meetings of Committees may be determined by resolution of the Board, and special meetings of Committees may also be called by resolution of the Board. Minutes shall be kept of each meeting of any Committee and shall be filed with the corporate records. Each Committee shall report to the Board from time to time as the Board may require. The Board may adopt rules for the governance of any Committee not inconsistent with the provisions by these Bylaws. In the absence of rules adopted by the Board, the Committee may adopt such rules.

Section 8.03 Quorum Rules for Board Committees

Except as provided otherwise herein, a majority of the Committee members shall constitute a quorum for the transaction of Committee business, except to adjourn. A majority of the Committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Every act taken or decision made by a majority of the Committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the Committee, subject to the provisions of the California Nonprofit Corporation Law relating to actions that require a majority vote of the entire Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Committee members, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 8.04 Revocation of Delegated Authority

The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Committee, increase or decrease (but not below two) the number of members of a Committee, and fill vacancies in a Committee from the members of the Board.

Section 8.05 Executive Committee

- (a) Selection of Members
The Executive Committee shall be comprised of the Chairperson, the Chairperson-Elect (if any), all Vice-Chairpersons, the Secretary, the Treasurer, the President, the Past Chairperson, and such other members of the Board of Directors, not to exceed ten (the "at-large members"), as the Chairperson shall appoint, subject to the approval of the Board of Directors.
- (b) Term
The Chairperson, the Chairperson-Elect (if any), all Vice-Chairpersons, the Secretary, the Treasurer, the President and the Past Chairperson shall serve on the Executive Committee for so long as they hold the designated positions. Each at-large member of the Executive Committee shall be selected for a one year term, without any limitation on re-election except subject to the limitations on terms of office as set forth elsewhere in these Bylaws.
- (c) Chairperson
The Chairperson of the Board shall be the Chairperson of the Executive Committee.
- (d) Powers
- (i) General Powers. The Executive Committee shall:
 - (A) serve as a vehicle for long range planning for the Corporation;
 - (B) provide a sounding board and source of counsel for the President;
 - (C) act on behalf of the Board on all day-to-day financial matters involving individual expenditures of not more than \$1,000,000;
 - (D) exercise the powers of the Board in matters referred to it by the Board and all other matters that must be acted upon prior to the next regular Board meeting; and
 - (E) fill vacancies on any Committee that does not exercise the authority of the Board.
 - (ii) Emergency Powers. In the event of an Emergency, if the Chairperson, or in his or her inability to act, any Vice-Chairperson, shall determine that it is impractical to convene a meeting of the Board to deal with the Emergency, the Executive Committee shall have the power, at meetings duly called and held to exercise the Emergency Powers enumerated in Section 7.02(b).
- (e) Number of Meetings

The Executive Committee shall meet at least five times in every fiscal year of the Corporation, such meetings to be scheduled at times between meetings of the Board designated by the Chairperson.

(f) Quorum

Other than in the event of an Emergency, a majority of the members of the committee shall constitute a quorum. In the event of an Emergency, 40% of the members of the Committee shall constitute a quorum.

Section 8.06 Nonprofit Integrity Act/Audit Committee

(a) General

In any fiscal year in which the Corporation receives or accrues gross revenues of two million dollars or more (excluding grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received), the Board shall (i) prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant ("CPA") in conformity with generally accepted auditing standards; (ii) make the audit available to the Attorney General and to the public on the same basis that the Internal Revenue Service Form 990 is required to be made available; and (iii) appoint an Audit Committee.

(b) Selection of Members

Directors, other than the President, and non-Directors (so long as the Audit Committee does not exercise authority of the Board) shall be eligible for service on the Audit Committee; *provided, that* Directors who serve on the Finance Committee shall constitute less than 50% of the membership of the Audit Committee. Notwithstanding the foregoing, the Audit Committee shall not include paid or unpaid staff or employees of the Corporation, including, if staff members or employees, the President or chief executive officer or the Treasurer. The chairperson of the Audit Committee shall not be a member of the Finance Committee.

(c) Powers

Subject to the supervision of the Board, the Audit Committee shall:

- (i) make recommendations to the Board on the hiring and firing of the CPA;
- (ii) confer with the CPA to satisfy Audit Committee members that the financial affairs of the Corporation are in order;
- (iii) review and determine whether to accept the audit;
- (iv) approve non-audit services by the CPA and ensure such services conform to standards in the Yellow Book issued by the United States Comptroller General; and
- (v) if requested by the Board, negotiate the CPA's compensation on behalf of the Board.

Section 8.07 Additional Standing Committees

(a) Executive Compensation Committee

Subject to the limitations of applicable law and the limitations set forth in Section 8.01, the Executive Compensation Committee shall act with the authority of the Board to review and approve the compensation of Officers and employees of the Corporation as required for compliance with the California Nonprofit Integrity Act of 2004, all other employees listed in Part VII of the Corporation's Annual IRS Form 990-Return of Organization Exempt from Income Tax, and all those additional persons whose compensation is subject to review under the Internal Revenue Service Intermediate Sanction Regulations (Internal Revenue Code Section 4958) (collectively, the "Covered Employees"), and to perform the obligations set forth in Section 9.06.

(b) Finance Committee

The Finance Committee shall act as financial advisor to the Board in all financial affairs of the Corporation, including, but not limited to: overseeing the preparation of the annual operating budget, considering and making recommendations on financial matters with respect to which the Board may request its consideration and advice, recommending the adoption of policies for financial management practices, and long-range financial planning. The Treasurer shall be the Chair of the Finance Committee. The Finance Committee may also include members of the Audit Committee, subject to the requirements set forth in Section 8.06.

(c) Investment Committee

Subject to the limitations of applicable law and the limitations set forth in Section 8.01, the Investment Committee shall act with the authority of the Board to oversee the investment of the Corporation's investment assets. The University 's Statement of Investment Policy, as amended from time to time, shall constitute the charter of the Investment Committee required by Section 8.01.

(d) Academic Affairs Committee

The Academic Affairs Committee shall provide strategic guidance to the President with respect to the academic programs of the Corporation.

(e) Risk Management Committee

The Risk Management Committee shall assist the Board in exercising its oversight of the activities of the Corporation, with a specific focus on the timely identification, mitigation, and management of matters that could pose a material risk to the Corporation's financial condition or its ability to conduct all or any material portion of its operations.

(f) Nominating and Governance Committee

The Nominating and Governance Committee shall have the responsibility for (i) locating qualified candidates to serve as Directors and for recommending the same to the Board whenever a vacancy in the position of Director occurs, (ii) advising the Board on procedures for the proper on-boarding, education and periodic assessment of the performance of the

Board, (iii) after consultation with the Chairperson of the Board, recommending the composition and leadership of each Committee to the Executive Committee and the Board, and (iv) periodically reviewing and recommending to the Board changes to the governing documents of the Corporation in order to keep such documents up to date with applicable law and current best practices.

(g) Development Committee

The Development Committee shall have the responsibility to (i) support the University's efforts to garner financial support through gifts from individuals and grants from foundations and corporations, (ii) develop and advise the Board with respect to the policies related to the receipt of gifts and help ensure that the University is in compliance with state and federal regulations relating to the solicitation of donations to the University, and (iii) encourage charitable gifts by members of the Board. The Vice President of Development will support the work of the Development Committee.

(h) Facilities/ Auxiliary Services Committee

The Facilities/Auxiliary Services Committee shall oversee the operations and maintenance of the Corporation's physical plant and the rental of the Corporation's facilities for periodic use by persons or organizations unaffiliated with the Corporation.

Section 8.08 Advisory Committees

One or more advisory committees may be created to provide advice to the Board regarding the Corporation's business and affairs. No such committee shall have the authority of the Board or the power to expend, or commit to the expenditure of, any of the Corporation's funds unless approved by the President and the Board. The President, with the approval of the Chairperson, will establish those advisory committees he or she deems appropriate, appoint the members thereof and designate a Chairperson and Vice-Chairperson of the committee. While it is expected that the Board will consider whether the Chairperson and Vice-Chairperson of each advisory committee should be a Director, the Board can approve the appointment of a non-Director Chairperson or Vice-Chairperson on the recommendation of the President and Chairperson of the Board. Other members of the advisory committees may, but need not, be Directors.

ARTICLE 9 OFFICERS

Section 9.01 Officers

The officers of the Corporation ("Officers") shall be (i) a Chairperson, (ii) a President, (iii) a Secretary, and (iv) a Treasurer. Additionally, a Chairperson-Elect, one or more Vice-Chairpersons and one or more Vice Presidents may also serve as Officers, as provided elsewhere herein. Other than the President and any Vice Presidents, these persons must be selected from among the Directors. The Board shall have the power to designate additional Officers, who also need not be Directors, with such duties,

powers, titles and privileges as the Board may fix, including such Officers as may be appointed in accordance with Section 9.05(e). The same person may hold any number of offices, except that the Secretary and the Treasurer may not serve concurrently as the Chairperson or the President.

Section 9.02 Removal of Officers Subject to the rights, if any, of an Officer under any contract of employment, any Officer may be removed, with or without cause, (i) by the Board, at any regular or special meeting of the Board, or at the Annual Meeting, or (ii) by an Officer on whom such power of removal may be conferred by the Board.

Section 9.03 Resignation of Officers

Any Officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in 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 9.04 Vacancies in Offices

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 9.05 Selection, Term and Responsibilities of Officers

(a) Chairperson

The Chairperson shall be a Director. The Chairperson shall be nominated by the Nominating and Governance Committee and elected by the Board at the Annual Meeting corresponding to the expiration of the term of the preceding Chairperson. The current Chairperson shall be permitted to serve for a total of four years, with her final term ending in 2020, and, beginning with each Chairperson elected thereafter, the Chairperson shall serve for a term of three years, commencing on the first day of July following that Annual Meeting or immediately upon his or her election, if elected after July 1, and shall not be eligible for reelection. The Chairperson shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board or prescribed by these Bylaws.

(b) Chairperson-Elect

Prior to the Nominating Meeting in the penultimate year of a Chairperson's Term, the Nominating and Governance Committee will nominate from among the Directors a person to serve as Chairperson following the conclusion of the current Chairperson's term. Such person will be presented at the Nominating Meeting as a nominee to serve as Chairperson-Elect during the final year of the current Chairperson's term, with the expectation that the Board would elect such person as Chairperson at the end of the current Chairperson's term; provided, that the election of such person as Chairperson will in any event be subject to confirmation by the Board at the Annual Meeting preceding the

commencement of such person's proposed term as Chairperson. The Chairperson-Elect will carry the title of Executive Vice-Chairperson. In the event the year of such person's service as Chairperson-Elect would occur after the expiration of such person's eligibility to serve as a director, as otherwise provided under Section 7.03 of these Bylaws, such person's eligibility to serve as a director will be automatically extended for an additional year, and such person will be reassigned to a class of directors whose term extends through the year of such person's intended service as Chairperson-Elect.

Notwithstanding the foregoing, the nomination of the Chairperson-Elect to succeed the Chairperson whose term ends in 2021 will be deferred until such time in the final year of the Chairperson's term as the Nominating and Governance Committee deems appropriate.

(c) Vice-Chairperson

One or more Vice-Chairpersons, but not to exceed six, may be appointed from among the Directors by the Chairperson, subject to confirmation by the Board. Each Vice-Chairperson shall serve for a term of one year. A Vice-Chairperson may serve in such office for no more than six consecutive terms.

If there is no Chairperson, or in the absence of the Chairperson, a Vice-Chairperson shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board or prescribed by these Bylaws. In the event that there are multiple Vice-Chairpersons present and able to preside at a meeting of the Board, and there is disagreement as to which Vice-Chairperson should preside, a majority of the Directors present immediately prior to the convening of such meeting of the Board shall select which Vice-Chairperson shall preside at such meeting of the Board.

(d) President and Vice Presidents

The President and Vice Presidents shall serve at the pleasure of the Board. The President shall be nominated by a special committee appointed by the Chairperson when a vacancy shall occur in the office, and shall be elected by the Board. The Vice Presidents shall be nominated by the President and approved by the Board.

If there is no Chairperson or Vice-Chairperson, or in the absence of the Chairperson and all Vice-Chairpersons, the President shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board or prescribed by these Bylaws. The Vice Presidents shall have such powers and perform such duties as may be prescribed by the Board.

(e) Secretary and Treasurer; Assistant Secretaries and Assistant Treasurers

The Secretary and Treasurer shall be nominated by the Nominating and Governance Committee from among the Directors and elected at the Annual Meeting. Each of the Secretary and the Treasurer shall serve for a

- (f) term of one year and may serve no more than six consecutive terms in such office. The Secretary and Treasurer shall each have such powers and perform such duties as may be prescribed by the Board.

The Board shall also have the power to designate one or more Assistant Secretaries or Assistant Treasurers, who need not be Directors, with such duties, powers, titles and privileges as the Board may fix.

- (g) Additional Officers

The Board may empower the Chairperson or the President to appoint or remove such other Officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board from time to time may determine.

Section 9.06 Compensation of Officers

- (a) Salaries Fixed by the Executive Compensation Committee

The compensation of Covered Employees shall be fixed from time to time by the Executive Compensation Committee. No Covered Employee shall be prevented from receiving compensation by reason of the fact that he or she is also a Director; *provided, however*, that such compensation paid to a Director for serving as a Covered Employee shall only be allowed if permitted under the provisions of Section 7.15. In all cases, any compensation received by a Covered Employee shall be reasonable and given in return for services actually rendered for the Corporation that relate to the performance of the public benefit purposes of the Corporation. No salaried Covered Employee serving as a Director shall be permitted to vote on his or her own compensation as a Covered Employee.

- (b) Fairness of Compensation

The Executive Compensation Committee shall periodically review the fairness of compensation, including benefits, paid to every Covered Employee or person proposed to be hired who would become a Covered Employee, regardless of title, with powers, duties, or responsibilities comparable to the President, any Vice President, or the Treasurer (if an employee of the Corporation) (i) at the time such person is hired, (ii) upon any extension or renewal of such person's term of employment, and (iii) when such person's compensation is modified (unless all Covered Employees are subject to the same general modification of compensation).

ARTICLE 10 TRANSACTIONS BETWEEN CORPORATION AND DIRECTORS OR OFFICERS

Section 10.01 Transactions with Directors and Officers

- (a) Interested Party Transactions

Except as described in Section 10.01 (b), the Corporation shall not be a party to any transaction:

- (i) in which one or more of its Directors or Officers has a material financial interest; or
- (ii) with any corporation, firm, association, or other entity in which

- (iii) one or more Directors or Officers has a material financial interest.
- (b) Requirements to Authorize Interested Party Transactions
The Corporation shall not be a party to any transaction described in 10.01(a) unless:
 - (i) the Corporation enters into the transaction for its own benefit;
 - (ii) the transaction is fair and reasonable to the Corporation at the time the transaction is entered into;
 - (iii) prior to consummating the transaction or any part thereof, the Board authorizes or approves the transaction in good faith, by a vote of a majority of Directors then in office (without counting the vote of the interested Directors), and with knowledge of the material facts concerning the transaction and the interested Director's or Officer's financial interest in the transaction;
 - (iv) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
 - (v) the minutes of the Board meeting at which such action was taken reflect that the Board considered and made the findings described in paragraphs (i) through (iv) of this Section 10.01(b).
- (c) Material Financial Interest
A Director or Officer shall not be deemed to have a "material financial interest" in a transaction:
 - (i) that fixes the compensation of a Director as a Director or Officer;
 - (ii) if the contract or transaction is part of a public or charitable program of the Corporation and it (1) is approved or authorized by the Corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Directors or their families only because they are **in** the class of persons intended to be benefited by the program; or
 - (iii) where the interested Director has no actual knowledge of the transaction and it does not exceed the lesser of one percent of the gross receipts of the corporation for the preceding year or \$100,000.

Section 10.02 Loans to Directors and Officers

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General; except that, however, the Corporation may advance money to a Director or Officer for expenses reasonably anticipated to be incurred in the performance of duties of such Director or Officer, if in the

absence of such advance, such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

The limitation above does not apply if (i) the loan is necessary, in the judgment of the Board, to provide financing for the purchase of the principal residence of an Officer in order to secure the services of (or continued services of) the Officer and the loan is secured by real property located in California; or (ii) the loan is for the payment of premiums on a life insurance policy on the life of a Director or Officer and repayment to the Corporation of the amount paid by it is secured by the proceeds of the policy and its cash surrender value.

Section 10.03 Interlocking Directorates

No contract or other transaction between the Corporation and any corporation, firm or association of which one or more Directors are directors is either void or voidable because such Director(s) are present at the Board or Committee meeting that authorizes, approves or ratifies the contract or transaction, if (i) the material facts as to the transaction and as to such Director's other directorship are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director(s) (subject to the quorum provisions of Article 7); or if (ii) the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified.

Section 10.04 Duty of loyalty; Construction with Article 11

Nothing in this Article 10 shall be construed to derogate in any way from the absolute duty of loyalty that every Director and Officer owes to the Corporation. Furthermore, nothing in this Article 10 shall be construed to override or amend the provisions of Article 11. All conflicts between the two articles shall be resolved in favor of Article 11.

ARTICLE 11 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 11.01 Definitions

For purpose of this Article 11,

- (i) "Agent"
means any person who is or was a Director, Officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, Officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation;
- (ii) "Proceeding"
means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

(iii) "Expenses"

includes, without limitation, all attorneys' fees, costs, and any other expenses reasonably incurred in the defense of any claims or proceedings against an Agent by reason of his or her position or relationship as Agent and all attorneys' fees, costs, and other expenses reasonably incurred in establishing a right to indemnification under this Article 11.

Section 11.02 Applicability of Indemnification Provisions

(a) Successful Defense by Agent

To the extent that an Agent has been successful on the merits in the defense of any proceeding referred to in this Article 11, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the claim.

(b) Settlement or Unsuccessful Defense by Agent

If an Agent either settles any proceeding referred to in this Article 11, or any claim, issue, or matter therein, or sustains a judgment rendered against him, then the provisions of Section 11.03 through Section 11.06 shall determine whether the Agent is entitled to indemnification.

Section 11.03 Actions Brought by Persons Other than the Corporation

This Section 11.03 applies to any proceeding other than an action "by or on behalf of the corporation" as defined in Section 11.04. Such proceedings that are not brought by or on behalf of the Corporation are referred to in this Section 11.03 as "Third Party proceedings."

(a) Scope of Indemnification in Third Party Proceedings

Subject to the required findings to be made pursuant to Section 11.03(b), the Corporation shall indemnify, to the fullest extent permitted by law, any person who was or is a party, or is threatened to be made a party, to any Third Party proceeding, by reason of the fact that such person is or was an Agent, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

(b) Required Standard of Conduct For Indemnification in Third Party Proceedings

Any indemnification granted to an Agent in Section 11.03(a) above is conditioned on the following. The Board must determine, in the manner provided in Section 11.05, that the Agent seeking reimbursement acted in good faith, in a manner he or she reasonably believed to be in the best interest of the Corporation, and, in the case of a criminal proceeding, he or she must have had no reasonable cause to believe that his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner he or she reasonably believed to be in the best interest of the Corporation or that he or she had reasonable cause to believe that his or her conduct was unlawful.

Section 11.04 Action Brought By or On Behalf Of the Corporation

This Section 11.04 applies to any proceeding brought (i) by or in the right of the Corporation, or (ii) by an Officer, Director or person granted relator status by the Attorney General, or by the Attorney General, on the ground that the defendant Director was or is engaging in self-dealing within the meaning of section 5233 of the California Nonprofit Corporation Law, or (iii) by the Attorney General or person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust (any such proceeding is referred to in these Bylaws as a proceeding "by or on behalf of the Corporation").

(a) Scope of Indemnification in Proceeding By or On Behalf Of the Corporation

Subject to the required findings to be made pursuant to Section 11.04(b), and except as provided in Sections 11.04(c) and 11.04(d), the Corporation shall indemnify, to the fullest extent permitted by law, any person who was or is a party, or is threatened to be made a party, to any proceeding by or on behalf of the Corporation, by reason of the fact that such person is or was an Agent, for all expenses actually and reasonably incurred in connection with the defense or settlement of such action.

(b) Required Standard of Conduct for Indemnification in Proceeding By or On Behalf Of the Corporation

Any indemnification granted to an Agent in Section 11.04(a) is conditioned on the following. The Board must determine, in the manner provided in Section 11.05, that the Agent seeking reimbursement acted in good faith, in a manner he or she believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

(c) Claims Settled Out of Court

If any Agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the Corporation, with or without court approval, the Agent shall receive no indemnification for amounts paid pursuant to the terms of the settlement or other disposition. Also, in cases settled or otherwise disposed of without court approval, the Agent shall receive no indemnification for expenses reasonably incurred in defending against the proceeding, unless the proceeding is settled with the approval of the Attorney General.

(d) Claims and Suits Awarded Against Agent

If any Agent is adjudged to be liable to the Corporation in the performance of the Agent's duty to the Corporation, the Agent shall receive no indemnification for amounts paid pursuant to the judgment, and any indemnification of such Agent under Section 11.04(a) for expenses actually and reasonably incurred in connection with the defense of that action shall be made only if both of the following conditions are met:

(i) The determination of good faith conduct required by Section

(ii) 11.04(b) must be made in the manner provided for in Section 11.05;

and

- (iii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent is fairly and reasonably entitled to indemnity for the expenses incurred. If the Agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

Section 11.05 Determination of Agent's Good Faith Conduct

The indemnification granted to an Agent in Section 11.03 and Section 11.04 is conditioned on the findings required by those Sections being made by:

- (a) the Board by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or
- (b) the court in which the proceeding is or was pending. Such determination may be made on application brought by the Corporation or the Agent or the attorney or other person rendering a defense to the Agent, whether or not the application by the Agent, attorney, or other person is opposed by the Corporation.

Section 11.06 Limitations

No indemnification or advance shall be made under this Article 11, except as provided in Section 11.02(a) or Section 11.05(b), in any circumstances when it appears:

- (a) that the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, as amended, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) that the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 11.07 Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by the Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it is determined ultimately that the Agent is entitled to be indemnified as authorized in this Article 11.

Section 11.08 Contractual Rights of Non-Directors and Non-Officers

Nothing contained in this Article 11 shall affect any right to indemnification to which persons other than Directors and Officers of the Corporation, or any of its subsidiaries, may be entitled by contract or otherwise.

Section 11.09 Insurance

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Agent, as defined in this Article 11, against any liability asserted against or incurred by any Agent in such capacity or arising out of the Agent's status as such, whether or not the Corporation would have the power to indemnify the Agent against the liability under the provisions of this Article 11.

ARTICLE 12 CORPORATION RECORDS, REPORTS AND SEAL

Section 12.01 Minute Book

The Corporation shall keep a minute book in written form which shall contain a record of all actions by the Board or any committee including (i) the time, date and place of each meeting; (ii) whether a meeting is regular or special and, if special, how called; (iii) the manner of giving notice of each meeting and a copy thereof; (iv) the names of those present at each meeting of the Board or any Committee thereof; (v) the minutes of all meetings; (vi) any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof; (vii) all written consents for action without a meeting; (viii) all protests concerning lack of notice; and (ix) formal dissents from Board actions.

Section 12.02 Books and Records of Account

The Corporation shall keep adequate and correct books and records of account. "Correct books and records" includes, but is not necessarily limited to: accounts of properties and transactions, its assets, liabilities, receipts, disbursements, gains, and losses.

Section 12.03 Articles of Incorporation and Bylaws

The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Section 12.04 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

The Corporation shall at all times keep at its principal office a copy of its federal tax exemption application and, for three years from their date of filing, its annual information returns. These documents shall be open to public inspection and copying to the extent required by the Code.

Section 12.05 Annual Report; Statement of Certain Transactions

The Board shall cause an annual report to be sent to each Director within 120 days after the close of the Corporation's fiscal year containing the following information:

- (a) The assets and liabilities of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for this fiscal year;

- (d) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year;
- (e) A statement of any transaction (i) to which the Corporation was a party, (ii) which involved more than \$25,000, or which was one of a number of such transactions with the same person involving, in the aggregate, more than \$25,000, and (iii) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a financial interest):
 - (1) Any Director or Officer of the Corporation; or
 - (2) Any holder of more than 10% of the voting power of the Corporation.

The statement shall include: (i) a brief description of the transaction; (ii) the names of interested persons involved; (iii) their relationship to the Corporation; (iv) the nature of their interest in the transaction, and; (v) when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

- (f) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director under Article 10 or Article 11.

Section 12.06 Directors' Rights of Inspection

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

Section 12.07 Corporate Seal

The corporate seal, if any, shall be in such form as may be approved from time to time by the Board. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

ARTICLE 13 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 13.01 Execution of Instruments

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

Section 13.02 Checks and Notes

Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by both the President and either the Treasurer or the Assistant Treasurer.

Section 13.03 Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

Section 13.04 Gifts

The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the charitable or public purposes of the Corporation.

ARTICLE 14 CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions of California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced.

ARTICLE 15 AMENDMENTS

Section 15.01 Amendment by Directors

The Board may adopt, amend or repeal Bylaws. Such power is subject to the following limitations:

- (a) Where any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise is required by law, such provision may not be altered, amended or repealed except by the vote of such greater number.
- (b) No amendment may extend the term of a Director beyond that for which such Director was elected.
- (c) If bylaws are adopted, amended or repealed at a meeting of the Board, such action is authorized only at a duly called and held meeting for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefor, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.