

THE **CSULA** FOUNDATION

**AMENDED AND RESTATED BY-LAWS**

**OF**

**CALIFORNIA STATE UNIVERSITY, LOS ANGELES FOUNDATION**

**(CSULA FOUNDATION)**

**A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

Amended April 30, 2015

## **ARTICLE I**

### NAME

The name of this corporation is the California State University, Los Angeles Foundation ("Foundation").

## **ARTICLE II**

### OFFICES

#### **Section 1. Principal Executive Office**

The principal executive office of the Foundation is hereby fixed and located at California State University, Los Angeles ("CSULA"), Los Angeles, California. The Board is hereby granted full power and authority to change said principal executive office to another location. Any such change shall be noted in the By-Laws by the Secretary.

#### **Section 2. Other Offices**

Other business offices may be established at any time by the Board at any place or places where the Foundation is qualified to do business.

## **ARTICLE III**

### PURPOSES AND POWERS

#### **Section 1. Purposes**

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

(a) Foster, encourage and promote the scientific, educational and charitable purposes of CSULA by constructing, establishing, maintaining, operating, conducting and giving to CSULA scientific, literary, educational and charitable buildings, equipment and facilities or doing or causing to be done one or more of such things and all other things incidental thereto;

(b) Promote a greater and better understanding in the community of CSULA's proper role and its policies and as it relates to its development needs;

(c) Provide financial assistance by allocations, gifts, loans and other means to CSULA, its support groups, undergraduate and graduate students, faculty and staff;

(d) Do any other act or thing and engage in and carry on any other activity in any manner connected with or incidental to, or calculated to promote, assist aid, or accomplish any of the aforesaid purposes;

(e) Provide management of all investment funds (short and long term);

(f) Take an active role in the fundraising process in support of CSULA.

## **Section 2. Powers**

In furtherance of the purposes herein above set forth, the Foundation shall have and shall exercise, subject to any limitations contained in its Articles of Incorporation, these By-Laws, applicable laws or applicable policy statements issued from time to time by The California State University ("University") or CSULA in general and especially relating to University or CSULA development activities, all powers of a natural person and all other rights, powers and privileges now or hereafter belonging to, or conferred upon, corporations organized under the provisions of the NPBC Law, including without limitation, the power to do the following:

(a) Adopt, make, use and at will alter, a corporate seal but failure to affix such seal shall not affect the validity or any instrument;

(b) Adopt, amend and repeal by-laws;

(c) Qualify to conduct its activities in any other state, territory or foreign country;

(d) Issue, purchase, redeem, receive, take or acquire, own, sell, lend, exchange, transfer or dispose of pledges, use and deal in and with real and personal property, capital stock, bonds, debentures, notes and debt securities and money market instruments of its own or others;

(e) Make donations for the public welfare or for community funds, hospital, charitable, educational, scientific, civic, religious or similar purposes;

(f) Assume obligations, enter into contracts, including contracts of guaranty or surety ship, incur liabilities, borrow or lend money or use its credit, and secure any of its obligations, contracts or liabilities by mortgage, pledge or encumber all or any part of its property and income;

(g) Participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind whether or not such participation involves sharing or delegation of control with or to others;

(h) Act as a trustee under any trust incidental to the principal objectives of the Foundation, and receive, hold, administer, exchange and expend funds and property subject to such trust;

(i) Receive endowments, devises, bequests, gifts and donations of all kinds of property for its own use, or in trust, in order to carry out or to assist in carrying out, the objects and

purposes of the Foundation and to do all things and acts necessary or proper to carry out each and all of the purposes and provisions of such endowments, devises, bequests, gifts and donations with full power to mortgage, sell, lease or otherwise deal with or dispose of the same in accordance with the terms thereof.

### **Section 3. Dedication of Assets**

The Foundation is organized and shall be operated exclusively for scientific, literary, educational and charitable purposes within the meaning of Section 501(c)(3), and Section 170(c)(2) of the Internal Revenue Code of 1986 (IRC), as amended, and Code 23701d, as amended, of the California Revenue and Taxation Code. The property, assets, profits and net income of the Foundation are irrevocably dedicated to such purposes and no part of the profits or net income of the Foundation shall ever inure to the benefit of any trustee, officer or to any individual. Upon the dissolution or winding up of the Foundation, its assets, after payment or provision for payment, of all debts and liabilities of this Foundation shall be distributed to one or more nonprofit corporations organized and operated for the benefit of CSULA or, if no such entity exists, then to one or more nonprofit corporations organized and operated for the benefit of the University, in each case as approved by the President of the CSULA and the Chancellor of the California State University. Such nonprofit corporation or corporations must be qualified for Federal income tax exemption under Section 501(a) and 501(c)(3) of the IRS Code and be organized and operated exclusively for charitable, scientific, literary or educational purposes, or for a combination of said purposes.

Notwithstanding any other provision of these By-Laws, the Foundation shall not carry on any activities not permitted to be carried on:

(a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the IRC (or the corresponding provision of any future United States Internal Revenue Law); or

(b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the IRC (or the corresponding provision of any future United States Internal Revenue Law).

No substantial part of the activities of the Foundation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall the Foundation participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for political office, nor shall the Foundation contribute funds to influence any legislation or candidate for political office.

## **ARTICLE IV**

### **MEMBERSHIPS**

#### **Section 1. No Regular Members**

In accordance with Section 5310 of the NPBC Law, the Foundation shall have no members within the meaning of Section 5056 of that law.

#### **Section 2. Persons Associated With The Foundation**

By resolution, the Board of Trustees of the Foundation (the "Board") may create any advisory boards, councils, honorary memberships or other bodies as it deems appropriate. The Board may also, by resolution, confer upon any such class or classes of such persons some or all of the rights of a member under the NPBC Law other than the right to vote:

- (a) for the election of a trustee or trustees or an officer or officers; or
- (b) on a disposition of all or substantially all of the assets of the Foundation; or
- (c) on a merger; or
- (d) on a dissolution; or
- (e) on changes to the Foundation's Articles of Incorporation or By-Laws; all such voting rights being vested exclusively in the Board.

## **ARTICLE V**

### **FOUNDATION TRUSTEES**

#### **Section 1. Powers**

Subject to any limitations in the Articles of Incorporation or these By-Laws, the activities and affairs of the Foundation shall be conducted and all corporate powers shall be exercised by and under, the direction of the Board. The Board may delegate the management of the activities of the Foundation to officials of CSULA or to any other persons, management company or committee, however composed, provided that the activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

#### **Section 2. Number and Qualification of Trustees**

The authorized number of Trustees shall be not less than thirteen (13) nor more than twenty-seven (27), including the Trustees described in Sections 3.2 (faculty Trustees), 3.3 (student Trustee), and the six (6) ex-officio Trustees described in Section 3.4.

### **Section 3. Manner of Selection**

The Board shall be composed of Trustees selected in the following manners:

#### **3.1 Elected Trustees**

All Trustees other than the ex officio Trustees designated in Section 3.4 shall be elected by majority vote of the Trustees in office at the time of any such election. CSULA employees, officers, and directors (including members of the University's Executive Committee) may serve as Trustees.

The election, reelection and all vacancies on the Board of Trustees shall be in accordance with the following process: Each proposed nominee shall be reviewed by the Governance Committee and selected nominee names and qualifications forwarded to the President of California State University, Los Angeles for ratification. The name of each nominee ratified by the University President shall then be formally nominated to the Board of Trustees for election by a majority vote of the members present at a meeting duly held at which a quorum exists.

#### **3.2 Faculty Member**

Two of the elected Trustees shall be members of the faculty of CSULA who have been recommended to the Governance Committee by the Academic Senate of CSULA, and subsequently recommended by the Governance Committee. Faculty Trustees shall be voting members of the Board with all rights and responsibilities of such membership.

#### **3.3 Student Member**

One of the elected Trustees shall be a member of the student body of CSULA who satisfies the qualifications described herein, and who has been recommended to the Governance Committee by the Board of Directors of the Associated Students, Inc. of CSULA ("ASI"). ASI may recommend one or more candidates for student Trustee. The Governance Committee shall interview the students and make a recommendation to the Board. Student Trustees shall be elected for a one year term unless, during that term, they become disqualified from holding office. Student Trustees shall be members of the Board with all rights and responsibilities of such membership. Removal of a student Trustee for any reason, including academic disqualification, will not invalidate any prior vote or actions on the part of that student Trustee.

A candidate for student Trustee must at the time of filing for election or nomination for appointment be eligible to serve as an officer of ASI under the University's policies and procedures and must meet satisfactory academic programs as defined.

Student candidates, nominees and incumbents shall not be on either academic or disciplinary probation or they will be ineligible or automatically disqualified from holding office.

Eligibility to hold office will be verified by the Registrar of CSULA at the time of filing for election, nomination or appointment and at the end of each academic quarter subsequent to election, nomination or appointment.

### 3.4 Ex-Officio Trustees

The persons holding the following CSULA offices are hereby designated as voting ex-officio Trustees:

- (a) The President
- (b) The Chief Financial Officer
- (c) The President (or designee) of the Alumni Association
- (d) The Vice President for University Advancement
- (e) The Chair of the Academic Senate
- (f) President of ASI (or designee)

### 3.5 Emeriti Trustees

The Board of Trustees may by resolution establish the honorary positions of Trustee Emeritus and/or Chair Emeritus for former Board members, together with the process of granting such status, and any prerequisites of such positions. Nominees for Emeriti status shall have served as an officer or as chair of at least one committee, and completed at least one three (3) year term on the Board.

## **Section 4. Term of Office**

### 4.1 Term

All elected Trustees other than the Student Trustee shall be elected to a three (3) year term of office. The Treasurer may be appointed without term limits in accordance with Article VI, Section 5 of these By-laws. Each ex-officio Trustee shall serve on the Board during the period in which he or she holds the office which qualifies him or her as Trustee. The Student Trustees shall serve for a term of one (1) year, subject to removal if he or she ceases to be qualified for holding office. Faculty and Student Trustees shall serve only so long as they maintain that status at CSULA.

### 4.2 Limitations on Consecutive Years of Service

An elected Trustee who has served for six (6) consecutive years shall not be eligible for re-election to the Board for one year.

## **Section 5. Compensated Person as a Trustee**

Any other provision of these By-Laws notwithstanding, at no time shall more than forty-nine percent (49%) of the persons serving on the Board be: (i) persons currently being

compensated by the Foundation for services rendered to the Foundation within the previous twelve (12) months (whether as a full or part-time employee, independent contractor or otherwise) or (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, father-in-law, daughter-in-law, or son-in-law of any person so compensated.

## **Section 6. Resignation and Removal of Trustees**

### **6.1 Resignation**

A Trustee may resign at any time by submitting written notice of resignation to the Executive Director or the President of the Foundation.

### **6.2 Removal With Cause**

The Board may declare vacant the office of a Trustee who has been declared of unsound mind by final order of a court of competent jurisdiction, or convicted of felony, or found by final order or judgment of any court of competent jurisdiction to have breached a duty under Article 3 of the NPBC Law (relating to trustee's standards of conduct).

### **6.3 Removal Without Cause**

Any Trustee may be removed from office without cause by the vote of a majority of the Trustees then in office.

### **6.4 Reduction of Authorized Number of Trustees**

No reduction of the authorized number of Trustees shall have the effect of removing any Trustee before his or her term of office expires.

## **Section 7. Vacancies**

### **7.1 Elected Trustees**

Vacancies shall be filled by action of the Board at a duly held meeting at which a quorum is present, by a majority of the remaining Trustees if the number of remaining Trustees is less than a quorum, or by a sole remaining Trustee. Trustees so elected shall serve until the expiration of the term to which their predecessor was elected. Elected Trustees who become ex-officio Trustees shall vacate their elected positions on the Board, and persons elected to fill said vacancies shall be elected to a full three-year term.

### **7.2 Ex-Officio Trustees**

Vacancies created by the removal or resignation of ex-officio Trustees who have been designated pursuant to the provisions of Section 3.3 of this Article V (relating to Ex-Officio Trustees) shall be filled by the persons who succeed the removed or resigning Trustees in the office which qualified them as Trustees. The Treasurer may be removed and/or replaced by the CSULA Chief Financial Officer, with the replacement being subject to approval by the Board.



## **Section 8. Notice and Place of Meetings**

Meetings of the Board shall be held at the date, time, and place which has been designated in the notice of the meeting.

All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting of the Board; except that the Board may hold closed sessions during any meeting to consider those matters that may lawfully be considered in such sessions under Article 2 of Chapter 7 of Part 55 of the Education Code, commencing with Section 89920.

Notice of any regular meeting of the Board shall be in writing and delivered to all Trustees at least seven (7) days before the meeting. Notice may be delivered by United States mail, personally delivered, or given by facsimile, electronic mail, or other electronic messaging device. Notice of any special meeting of the Board shall be in writing and delivered to all Trustees at least 24 hours before the meeting. Such notice shall state the date, place and hour of the meeting and the general nature of the business to be transacted.

Public Electronic Meetings - For electronic meetings the notice shall include instructions on how board members and the public may participate.

A notice of the meeting shall be posted in the Foundation office and website, together with a copy of the agenda for the meeting.

## **Section 9. Regular Meetings**

The Board shall meet at least quarterly during each fiscal year.

## **Section 10. Special Meetings**

Special meetings of the Board may be called for any purpose at any time by the President or majority of Board members in office. The notice of any special meeting shall specify the purpose of the meeting, and no other business may be conducted at the meeting.

## **Section 11. Action at a Meeting: Quorum and Required Vote**

A majority of the number of - Trustees then in office constitutes a quorum for the transaction of business. Unless otherwise specifically provided in these By-Laws, any act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present shall constitute the act of the Board.

## **Section 12. -Reimbursements**

Trustees may be reimbursed for reasonable out-of pocket expenses incurred in the performance of their duties as Trustees, consistent with policies established by the Board.

### **Section 13. Action Without a Meeting**

Any action by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of the Trustees.

### **Section 14. Committees**

#### **14.1 Committees Without the Authority of the Board**

The Board may create such committees and appoint such members thereof as it deems necessary or advisable in the best interest of the Foundation or in furtherance of the Foundation's purposes, provided any committee exercising any of the authority of the Board shall be subject to the following Section 14.2 of this Article.

#### **14.2 Committees Having the Authority of the Board**

By a written resolution adopted by a majority of the Trustees then in office, the Board may create one or more committees, including but not limited to the Standing Committees described in Article VII of these By-Laws that are given the authority of the Board. Each committee shall be composed of two or more Trustees appointed by the Board. The Board may appoint one or more Trustees as alternate members of the committee who may replace any absent committee member at any meeting of the committee. Persons who are not members of the Board may, at the request of the committee, serve such committees in a non-voting advisory capacity but shall not be members of the committee.

To the extent provided in a written resolution, the Board may delegate to any such committee any of the Board's powers and authority, except with respect to:

- (a) the filling of vacancies on the Board or in any committee which has the authority of the Board;
- (b) the amendment or repeal of by-laws or the adoption of new by-laws;
- (c) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (d) the approval of any self-dealing transactions except as provided in paragraph (3) of subdivision (d) of Section 5233 of the NPBC Law;
- (e) the appointment of other committees of the Board or the members thereof.

#### **14.3 Committee Procedures**

The Board may prescribe appropriate written rules consistent with these By-Laws by which proceedings of any committee shall be conducted.

## **ARTICLE VI**

### **OFFICERS**

#### **Section 1. Officers**

The officers of the Foundation shall be a President, President-Elect (when applicable), Treasurer, Secretary and such Vice-Presidents as the Board of Trustees may from time to time elect, all of whom shall be selected from among the Trustees. No Ex-Officio may serve as President, Vice President, Treasurer, or Secretary of the Foundation.

The Foundation may also have, at the discretion of the Board, such other officers as the business of the Foundation may require, including, but not limited to, the Executive Director described in Section 4 of this Article VI. Such additional officers need not be Trustees. Each officer of the Foundation shall have such authority and perform such duties as provided in the By-Laws or as the Board may from time to time designate by specific resolution.

#### **Section 2. President**

The President shall preside at all meetings of the Board and shall serve as chairman of the Executive Committee, and shall exercise such powers, and perform such other duties as the Board may from time to time determine.

#### **Section 3. Vice President**

The Vice President shall perform the duties of the President in the President's absence, including presiding at meetings of the Board in the absence of the President, and shall have such other powers and perform such other duties as the Board may from time to time determine.

#### **Section 4. Executive Director**

The Vice President for University Advancement at CSULA shall serve as the Executive Director of the Foundation, shall be the Foundation's general manager and chief executive officer, and shall supervise, direct and carry out the programs of the Foundation in accordance with and subject to the control and direction of the Board. The Executive Director shall give, or cause to be given, a notice of all meetings of the Board or of any committee required to be given. The Executive Director shall have such other powers and perform such other duties as the Board may from time to time determine.

#### **Section 5. Treasurer**

The Treasurer of the Foundation shall be appointed by the Chief Financial Officer of CSULA, subject to ratification by the Board, and shall be an employee, officer, or director of CSULA who is not a member of the CSULA Executive Committee. The Treasurer shall be the custodian of all funds, securities and other valuables of the Foundation. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of the Foundation's property and business transactions. The Treasurer shall have such

other powers and perform such other duties as are customarily vested in a corporation's chief financial officer or as the Board may from time to time determine.

### **Section 6. Secretary**

The Secretary shall act, or designate one or more persons to act, as clerk to the Board. The Secretary shall keep, or cause to be kept, a book of minutes of all meetings and actions taken by the Board and of all committees having the authority of the Board. Such minutes shall set forth any actions taken at any such meeting, its time and place, the names of those present, and the notice thereof given, whether regular or special, and if special, how authorized.

### **Section 7. Election and Term of Office**

All officers of the Foundation other than the Executive Director shall be elected by the Board annually, and each officer shall serve at the pleasure of the Board. No person other than the Executive Director may hold the same office for more than four consecutive years. With the exception of the President, all officer positions are included in the six-year term of office outlined in Section 4.2, of Article V limiting board membership to two consecutive three-year terms. The President may extend his or her membership on the board up to an additional four years, provided he/she is reelected annually.

### **Section 8. Removal and Resignation**

Any officer, with the exception of the Executive Director and the Treasurer, may be removed at any time with or without cause by a majority of the Board, without prejudice to the rights, if any, of the Foundation under any contract to which the officer is a party. Any officer may resign at any time by giving written notice to the Foundation's Executive Director. Unless otherwise specified therein, any such resignation shall take effect at the date of the receipt of such notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to render it effective.

### **Section 9. Vacancies**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in Section 7 of this Article VI (relating to Election and Term of Office) for regular appointments to that office.

### **Section 10. Compensation**

Officers may receive such reimbursement for their expenses as may be determined by the Board to be just and reasonable, and consistent with policies established by the Board. Compensation to officers who are employees of CSULA shall be subject to the prior written approval of the President at CSULA. The Board may at the Foundation's expense, bond any officer and employee for the faithful performance of his or her duties in such amount and with such surety or sureties as it may determine.

## **ARTICLE VII**

### **STANDING COMMITTEES**

There shall be the following standing committees. The members and chair of each committee shall be appointed by and serve at the pleasure of the Foundation President, subject to the approval of the Board. The President of CSULA, and the Executive Director shall be ex-officio members of each standing committee except the Investment and Finance Committee. Except as otherwise provided below, the Board may appoint additional members who are Trustees or persons associated with the Foundation as described in Section 2 of Article IV (relating to persons associated with the Foundation). Persons who are not members of the Board may serve committees only in a non-voting advisory capacity.

#### **Section 1. Executive Committee**

##### **1.1 Composition**

The Executive Committee shall have not fewer than five (5) nor more than nine (9) members, the exact number of members to be fixed from time to time by resolution of the Board. All members of the Executive Committee shall be members of the Board. The following Trustees shall be members of the Executive Committee:

- (a) The President;
- (b) Vice President;
- (c) The Treasurer;
- (d) The Secretary;
- (e) The President of CSULA; and
- (f) The Chief Financial Officer of CSULA

Such other Trustees as shall be appointed by the President and ratified by the Board.

##### **1.2 Duties and Powers**

Subject to any limitations in the Foundation's Articles of Incorporation, Section 14.2 of Article V of these By-Laws, resolutions adopted by the Board, or applicable law, the Executive Committee shall, under the direction of the Board, manage the activities and affairs of the Foundation and shall have all the rights, powers and authority to act on behalf of the Board on all matters between regular meetings of the Board.

### 1.3 Meetings

Meetings of the Executive Committee shall be held at such time and at such place as the President of the Foundation may determine. Notice of such meetings shall be given in the manner set forth in Section 8 of Article V (relating to Notice and Place of Meeting).

### 1.4 Quorum

A majority of the Executive Committee in good standing shall constitute a quorum for the transaction of any business that the Executive Committee is authorized to conduct.

## **Section 2. Investment and Finance Committee**

The Investment and Finance Committee shall be composed of not fewer than three (3) - Trustees. The Investment and Finance Committee shall supervise the investment of the Foundation's funds in accordance with Investment Policy Statements adopted by the Investment and Finance Committee and approved by the Board. The Investment and Finance Committee shall also oversee budgets and financial reports.

## **Section 3. Governance Committee**

The Governance Committee shall be composed of not fewer than three (3) Trustees. The Governance Committee shall be responsible for periodic review of the Foundation's governing documents, Trustee orientation and evaluations. Prior to the last meeting of the fiscal year of the Board, the Governance Committee shall prepare and submit a slate of candidates for election to the Board and a slate of candidates for election as the officers of the Foundation for the next fiscal year.

## **Section 4. Audit Committee**

The Audit Committee shall be composed of not fewer than three (3) Trustees, none of whom are employees of the Foundation nor the President or Treasurer of the Foundation. Neither the chair of the Audit Committee nor more than 49% of the members of the Audit Committee may also serve on the Investment and Finance Committee.

The Audit Committee shall be responsible for Audit oversight, including, but not limited to, making recommendations to the Board with respect to the engagement or discharge of independent auditors, directing and supervising audit functions, and reviewing with independent auditors the plans, scope and supplemental instructions for the audit. The President of CSULA shall receive copies of all Foundation related audit reports.

## **Section 5. Development and Gift Acceptance Committee**

The Development and Gift Acceptance Committee shall be composed of not fewer than three (3) Trustees. The Committee shall oversee and direct all fund raising activities of the Foundation with the support of the CSULA Office of University Advancement.

## **ARTICLE VIII**

### **MISCELLANEOUS**

#### **Section 1. Inspection of Corporate Records**

Trustees and the general public shall have the right at any reasonable time to inspect the books and records of the Foundation, consistent with the California Public Records Act and SB8.

#### **Section 2. Contracts and Other Instruments**

The Board, except as otherwise provided in the By-Laws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of, and on behalf of, the Foundation, including expenditures of funds. Such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Foundation by any contract or engagement or to pledge its credit or to render it liable for any purpose or any amount, except for contracts or commitments in the regular course of business of the Foundation executed by an-authorized individual within the scope of his or her authority.

#### **Section 3. Representation of Shares of Other Corporations**

The President, the Treasurer, or a Vice President designated by the Board is authorized to vote, represent and exercise on behalf of the Foundation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Foundation, unless the Board designates another person to exercise such rights, or unless the By-Laws of the other corporation otherwise provide. The authority herein granted may be exercised either in person or by proxy or power of attorney duly executed. The Investment and Finance Committee will recommend to the full Board or Executive Committee any proxy votes the Foundation will make.

#### **Section 4. Fiscal Year Audit**

The fiscal year of the Foundation shall be from July 1st through June 30th. The financial books and records of the Foundation shall be audited not less than once during each fiscal year by independent certified public accountants.

#### **Section 5. Standing Orders**

Standing orders and rules of practice consistent with the Articles of Incorporation and By-Laws may be prescribed from time to time by the Board or Executive Committee in order to facilitate and expedite the carrying on of the business of the Foundation. The Secretary shall keep such orders and rules, if any, in permanent written form, properly indexed and same shall be a part of the permanent records of the Foundation and shall govern and control the administration of the activities and affairs of the Foundation as far as applicable.

## **Section 6. Indemnification of Agents of the Corporation; Liability Insurance**

6.1 Subject to any limitations contained in the Articles of Incorporation and to the extent permitted by the California Nonprofit Public Benefit Corporation Law, the Foundation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Trustee, officer, employee or other agent of the Foundation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding and the Foundation may advance expenses in connection therewith.

6.2 The Foundation may purchase and maintain insurance on behalf of any Trustee, officer, employee or other agent of the Foundation against any liability asserted against or incurred by such person in his capacity or arising out of his status as such whether or not the Foundation could indemnify such person against such liabilities under the provisions of Section 6.1 of this Article VIII. Notwithstanding the above, the Foundation shall not purchase and maintain such insurance for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law (with respect to self-dealing transactions).

6.3 Section 6 of this Article VIII (relating to Indemnification of Agents of the Corporation; Liability Insurance) does not apply to any proceeding against any Trustee, investment manager, or other fiduciary of any employee benefit plan in such person's capacity as such, even though said person may also be a Trustee, officer, employee or other agent of the Foundation for purposes of Section 6.1 and 6.2 of this Article VIII. The Foundation may indemnify such Trustee, investment manager or other fiduciary to the extent permitted by Subdivision (f) of Section 207 of the California General Corporation Law.

## **ARTICLE IX**

### **AMENDMENTS TO BY-LAWS**

#### **Section 1. Power of Trustees**

The Board may adopt, amend or repeal these By-Laws. Any proposed amendment, repeal or revision of these By-Laws shall be submitted in writing to the Secretary of the Foundation not less than fifteen (15) nor more than ninety (90) days prior to the meeting at which the same is to be considered. At least ten (10) days prior to such meeting the Secretary shall mail or cause to be mailed, copies of any such proposal to each Trustee in the manner provided in Section 8 of Article V (relating to Notice and Place of Meeting) of these By-Laws. A two-thirds quorum of the duly elected Trustees is necessary for amendments to the By-Laws.