

**AMENDED AND RESTATED BYLAWS
OF
A California Nonprofit Public Benefit Corporation**

**ARTICLE I
MISSION OF THE FOUNDATION**

Section 1. **PRINCIPAL MISSION.** The principal mission of the corporation (sometimes referred to as the “Foundation”) is to provide educational assistance at all levels for those in need who are studying at Catholic institutions, support for drug and alcohol education and rehabilitation programs, and to support Church ministries including outreach programs for the needy, and senior and youth programs.

Section 2. **ADDITIONAL PURPOSE.** The secondary purpose of the Foundation is to encourage the philanthropy and community service of the family members by the example of the Founders of the Foundation, Dr. James B. Peter and Joan C. Peter.

Section 3. **CHARITABLE OBJECTIVE.** At all times, the Foundation shall engage in charitable activities in accordance with the Articles of Incorporation and the requirements of the Internal Revenue Code and the laws of the State of California.

**ARTICLE II
OFFICES**

Section 1. **PRINCIPAL OFFICE.** The Foundation’s principal office shall be located in Los Angeles County, California or elsewhere, as the Board of Directors (“Board”) shall from time to time determine. The Board is granted full power and authority to change the location of the Foundation’s principal office at any time and from time to time.

Section 2. **OTHER OFFICES.** The Board of Directors or the Chief Executive Officer may at any time establish branch or subordinate offices at any place or places where the Foundation is qualified to do business.

**ARTICLE III
BOARD OF DIRECTORS**

Section 1. **MANAGEMENT.** The Board shall manage the business and affairs of the Foundation. The powers of the Foundation shall be exercised by the Board except as otherwise authorized by statute, the Articles of Incorporation, these Bylaws, and resolutions duly adopted by the Board.

Section 2. **CLASS AND NUMBER OF DIRECTORS.** There shall be two (2) approved classes of Directors:

(a) Family Directors. There shall be up to ten (10) Family Directors.

(1) Except as otherwise provided herein, only a “Family Member” is eligible to serve as a Family Director. “Family Member” means a natural born issue of the Founders and any person who was adopted as a minor by an issue of the Founders.

(2) A Family Director is not eligible to be elected to the Board until he or she has attained at least twenty-five (25) years of age. The Board shall also consider a potential Family Director’s moral, ethical and philanthropic character prior to electing such Family Director to the Board.

(3) To the extent reasonably practicable, at least one member of each “Peter Family Unit” shall serve as a Family Director. A “Peter Family Unit” means a child of the Founders (Deborah Ann Estes; Joan Carol Noneman; James B. Peter, Jr.; Karen Peter; Christine Mary Peter; and Arthur L. Peter) and his or her respective issue.

(4) If it is not reasonably practicable for a Family Member to serve as a Family Director, then an “Independent Director” may be elected in place of a Family Director.

(b) Independent Directors. There shall be up to four (4) Independent Directors in addition to any Independent Director(s) elected in place of a Family Director as provided above. An Independent Director is not eligible to serve on the Board until he or she has attained at least twenty-five (25) years of age. The Board shall also consider a potential Independent Director’s moral, ethical and philanthropic character prior to electing such Independent Director to the Board.

(c) Majority of Board to Consist of Family Members. Notwithstanding the foregoing provisions of this Section 2 or any other provision herein to the contrary, the number of Family Members serving on the Board shall at all times exceed the number of non-Family Members serving on the Board.

Section 3. ELECTION AND TERM OF OFFICE. Directors shall be nominated by any member of the Board, and shall be elected by a majority of the Board.

(a) Family Directors. Each Family Director (including an Independent Director elected to serve as a Family Director) shall serve a term of five (5) years, and may be elected to any number of consecutive terms.

(b) Independent Directors. Each Independent Director shall serve a term of three (3) years, and may be elected to up to three (3) consecutive terms.

Section 4. REMOVAL. A Director may be removed for cause by the Supermajority vote of the Board of Directors at any regular or special meeting of the Board. “Cause” shall mean the following:

- (a) the failure or refusal to materially perform the Director's duties and responsibilities;
- (b) gross or habitual misconduct or negligence in the performance of the Director's duties and responsibilities, which shall include regular and/or habitual absenteeism;
- (c) the willful misappropriation of the funds or property of the Foundation;
- (d) the use of alcohol or illegal drugs, materially interfering with the performance of the Director's duties and responsibilities; or
- (e) the commission of an act which constitutes a felony or any crime involving moral turpitude, dishonesty or theft.

Procedures for Director Removal is attached hereto as Exhibit "A"

Section 5. VACANCIES. In the event of a vacancy in the Board of Directors, a replacement Director may be nominated by any member of the Board, and shall be elected by a majority of the Board. A replacement Director so elected shall serve for the vacating Director's remaining term.

(a) A vacancy or vacancies in the Board shall be deemed to exist in the event of the death, resignation or removal of any Director, or if the Board by resolution declares vacant the office of a Director who has been declared incompetent by an order of court or by two (2) qualified physicians.

(b) Any Director may resign effective on giving written notice to the Chairman of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

(c) No reduction of an authorized number of Director positions shall have in and of itself the effect of removing any Director before that Director's term of office expires.

(d) In the event there is no person as described above to designate a new Board of Directors, then a majority vote of the officers of the Foundation shall designate a new Board of Directors.

Section 6. POWERS. Subject to the provisions of the California Nonprofit Corporation Law, the business and affairs of the Foundation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. Without prejudice to this general grant of power, and subject to the same limitations, the Directors shall have the power to:

(a) Select and remove all officers, agents, and employees of the Foundation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation;

(b) Approve indemnification of Directors, officers, and agents and amend Articles of Incorporation;

(c) Change the principal executive office or the principal business office in the State of California from one location to another; cause the Foundation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or without the State of California; and designate any place within or without the State of California for the holding of any meeting or meetings, including annual meetings;

(d) Adopt, make, and use a corporate seal and alter the form of the seal; and

(e) Borrow money and incur indebtedness on behalf of the Foundation, and cause to be executed and delivered for the Foundation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

Section 7. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE. Regular meetings of the Board of Directors may be held at any place within or outside the State of California designated from time to time by resolution of the Board. In the absence of any such designation, regular meetings shall be held at the principal office of the Foundation. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal office of the Foundation. Any meeting, regular or special, may be held by conference telephone other electronic communication equipment, including video conferencing, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at the meeting.

Section 8. ANNUAL MEETING. The Board of Directors shall hold an annual meeting each year, which shall be the last regularly scheduled Board meeting of the calendar year. Any business to come before the Board may be conducted at the annual meeting, including election of officers.

Section 9. OTHER REGULAR MEETINGS. Other regular meetings of the Board of Directors shall be held without call at such times and places as shall be fixed by the Board of Directors.

Section 10. SPECIAL MEETING. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairperson of the Board, or the President or any Vice President or the Secretary or any two (2) Directors. There shall be four (4) days' notice of special meetings given by first class mail or forty-eight

(48) hours' notice delivered personally or by telephone or facsimile or other electronic transmission.

Section 11. NOTICE OF MEETINGS. All notices of meetings shall be sent or otherwise given in accordance with Section 12 of this Article III not less than ten (10) nor more than one hundred (100) days before the date of the meeting, except, however, for special meetings, four (4) days' advance notice of which shall be given as provided in Section 10 above. The notice shall specify the place, date and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving the notice, intends to present for action by the Directors.

Section 12. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

(a) Notice of any meeting requiring a notice shall be given either personally or by first-class mail or facsimile or other electronic transmission or other written communication, charges prepaid, addressed to each Director at the address of the Director appearing on the books of the Foundation or given by the Director to the Foundation for the purpose of notice. If no such address appears on the Foundation's books or is given, notice shall be deemed to have been given if sent to the Director by first-class mail or facsimile or other electronic transmission or other written communication to the Foundation's principal office, or if published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

(b) If any notice addressed to a Director at the address of that Director appearing on the books of the Foundation is returned to the Foundation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the Director at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the Director on written demand of the Director at the principal executive office of the Foundation for a period of one (1) year from the date of the giving of the notice.

(c) An affidavit of the mailing or other means of giving any notice of any Directors' meeting shall be executed by the Secretary of the Foundation giving the notice, and shall be filed and maintained in the minute book of the Foundation.

Section 13. WAIVER OF NOTICE OF MEETING. Notice of a meeting need not be given to a Director who signs a waiver of notice or a written consent to hold the meeting, or who signs an approval of the minutes of such meeting. Notice need not be given a Director who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the corporate records or made part of the minutes of the meeting.

Section 14. QUORUM. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn, as provided in

Section 16. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors subject to the provisions of Section 5233 of the Corporations Code of California (as to approval of contracts or transactions in which a Director has a direct or indirect material financial interest), Section 5212 of that Code (as to appointment of committees), and Section 5238 of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 15. ACTION BY BOARD WITHOUT A MEETING. Any action required or permitted to be taken 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 the unanimous vote of such Directors.

Section 16. ADJOURNMENT. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 17. FEES AND COMPENSATION OF DIRECTORS. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be fixed or determined by resolution of the Board of Directors. This Section 17 shall not be construed to preclude any Director from serving the Foundation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation for those services.

ARTICLE IV ADVISORY BOARD (DIRECTORS EMERITUS)

The Board may establish an Advisory Board, composed of such one or more persons as the Board may designate who are not Directors or officers of the Foundation. The Advisory Board is intended to be composed of persons who will bring additional talent, experience, expertise, insight, time and/or resources to the Foundation. The Advisory Board shall be entitled to receive notice of meetings of the Board, and to attend such meetings and participate in Board discussions, but shall not be entitled to vote or otherwise exercise the authority of the Board. Each member of the Advisory Board shall serve for a term of five (5) years, which term shall automatically expire upon the anniversary of the Advisory Board member's appointment, unless such Advisory Board member is invited by the Board to serve for an additional term. Members of the Advisory Board may be removed with or without cause by the majority vote of the Board. Members of the Advisory Board shall bear the title "Director Emeritus".

ARTICLE V COMMITTEES

Section 1. **COMMITTEES OF THE BOARD.** The Board of Directors may, by resolution adopted by a majority of the authorized number of Directors, designate one or more committees, each consisting of two or more Directors, and such non-Directors as the Board shall determine, to serve at the pleasure of the Board. The Board may designate one or more Directors or non-Directors, as alternate members of any committee, who may replace any absent member at any meeting of the committee.

Section 2. **INITIAL COMMITTEES.** The initial committees of the Board shall include the following:

(a) **Grants Committee.** The Grants Committee shall consist of all the members of the Board. The responsibility of the Grants Committee is to review all grant requests, whether submitted by a Board member or otherwise, determine if such request fits within the approved guidelines and procedures of the Foundation, analyze the purpose, use and benefit of such request, and to exercise the grant-making authority of the Foundation.

(1) The Grants Committee shall act by majority vote of its members, although any dissenting member shall have the right to attach the dissent and any explanation to the committee's recommendation or action.

(2) The Grants Committee shall have the power, if specifically delegated such by the Board of Directors, to establish one or more subcommittees, which may consist of non-Director Family Members, including younger members who may not yet be eligible to serve on the Board of Directors, and shall have such powers and responsibilities in connection with the grant activity of the Foundation as authorized by the Board of Directors and implemented by the Grants Committee.

(b) **Investment Committee.** The Investment Committee shall consist of all of the members of the Board. The Investment Committee shall be responsible for developing and implementing an investment policy for the assets of the Foundation, selecting appropriate investment advisors and managers, monitoring such investments, making such changes as it deems appropriate and in the best interests of the Foundation, and to otherwise exercise the investment authority of the Foundation.

(c) **Audit Committee.** Except as otherwise provided in this Section, the Board of Directors shall appoint an Audit Committee to oversee the preparation of annual audited financial statements. The Audit Committee shall initially consist of three (3) Directors, and outside financial counsel, and may include other individuals who are not members of the Board of Directors, but the members of the Audit Committee shall not include any officers of the Foundation. In addition, the Audit Committee must be separate from the Finance Committee, if such a committee shall be appointed. Members of the Finance Committee may serve on the Audit Committee; however, the chairperson of the Audit Committee may not be a member of the Finance Committee and members of the Finance Committee shall constitute less than one-half (1/2) of the membership of the Audit Committee. Members of the Audit Committee shall not receive any compensation from the Foundation in excess of the compensation, if any, received

by members of the Board of Directors for service on the Board and shall not have a material financial interest in any entity doing business with the Foundation.

Subject to the supervision of the Board of Directors, the Audit Committee shall have the following responsibilities:

- (1) Recommending to the Board the retention and termination of the independent auditor selected to prepare the Foundation's audited financial statements;
- (2) Negotiating the compensation of the independent auditor on behalf of the Board;
- (3) Conferring with the auditor to satisfy the Audit Committee members that the financial affairs of Foundation are in order;
- (4) Reviewing and determining whether to accept the audit prepared by the independent auditor; and
- (5) Approving the performance of any non-audit related services provided by the independent auditor.

Notwithstanding the foregoing, if the Foundation is not required to comply with California Government Code Section 12586(e) (or any successor statute thereto), then the Foundation shall not be required to appoint an Audit Committee as set forth herein.

Section 3. AUTHORITY. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except:

- (a) The filling of vacancies in any committee;
- (b) The fixing of compensation of the Directors for serving on the Board or on any committee;
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (d) The amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and
- (e) The appointment of any other committees of the Board of Directors or the members of these committees.

Notwithstanding the foregoing, if a committee has one or more members who are not Directors, the committee shall not have the authority of the Board, but rather shall act only in an advisory capacity and present its findings and recommended course of action to the Board, for vote by the Board.

Section 4. MEETINGS AND ACTION OF COMMITTEES. Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these Bylaws, with such changes in the context of those Bylaws as are necessary to substitute the committee and the committee members for the Board of Directors, except that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee; special meetings of committees may also be called by resolution of the Board of Directors; notice of special meetings of committees shall also be given to all alternate committee members, who shall have the right to attend all meetings of the committee; and any committee not consisting entirely of Directors shall not have the authority of the Board. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE VI OFFICERS

Section 1. OFFICERS. The officers of the Foundation shall be a Chairperson of the Board, a President, a Secretary, and a Treasurer. The Foundation may also have, at the discretion of the Board of Directors, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as President.

Section 2. ELECTION AND TERM OF OFFICE. The officers of the Foundation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 6 of this Article, shall be nominated by any member of the Board and shall be elected by majority vote of the Board. Officers shall serve for a term of five (5) years, and may serve any number of consecutive terms. Each officer, including an officer elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected, or until his or her earlier death, resignation or removal.

Section 3. SUBORDINATE OFFICERS. The Board of Directors may appoint, and may empower the President to appoint, such other officers as the business of the Foundation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine.

Section 4. RESIGNATION. Any officer may resign at any time by giving written notice to the Foundation. Any resignation shall take effect on the date of 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 Foundation under any contract to which the officer is a party.

Section 5. REMOVAL. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by

the Board of Directors, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Section 6. 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.

Section 7. CHAIRPERSON OF THE BOARD. In keeping with the desire of the Founders the Board shall appoint a Family Director to serve as Chairperson of the Board when appropriate. The Chairperson of the Board shall preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned by the Board of Directors or prescribed by the Bylaws. If there is no President, the Chairperson of the Board shall in addition be the Chief Executive Officer of the Foundation and shall have the powers and duties of the President described herein.

Section 8. PRESIDENT. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairperson of the Board, the President shall serve as the chief executive officer of the Foundation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the affairs of the Foundation. If the President is not also a Family Director or an Independent Director, he or she shall serve as a non-voting *ex officio* member of the Board. He or she shall preside at all meetings of the Board of Directors in the absence of the Chairperson of the Board. The President shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 9. VICE PRESIDENTS. In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the Bylaws, and the President, or the Chairman of the Board.

Section 10. SECRETARY.

(a) The Secretary shall keep or cause to be kept at the principal office of the Foundation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors and/or committees of Directors, with the time and place of holding such meeting, whether regular or special, and, if special, how authorized, the notice given, the names of those present.

(b) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the Bylaws or by law to be given, and

shall keep the seal of the Foundation, if one be adopted, in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

Section 11. TREASURER.

(a) The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall at all reasonable times be open to inspection by any Director.

(b) The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Foundation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, and account for all of transactions as Treasurer and of the financial condition of the Foundation, and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

**ARTICLE VII
INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

The Foundation shall, to the maximum extent permitted by the California Nonprofit Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was an agent of the Foundation. For purposes of this Article, an "agent" of the Foundation includes any person who is or was a Director, officer, employee, or other agent of the Foundation, or is or was serving at the request of the Foundation as a Director, officer, employee, or agent of another Foundation, partnership, joint venture, trust, or other enterprise, or was a Director, officer, employee, or agent of a corporation which was a predecessor corporation of the Foundation or of another enterprise at the request of such predecessor corporation.

**ARTICLE VIII
RECORDS AND REPORTS**

Section 1. MAINTENANCE AND INSPECTION OF BYLAWS. The Foundation shall keep at its principal office, or if its principal office is not in the State of California, at its principal business office in this state, the original or a copy of the Bylaws as amended to date.

Section 2. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS. The accounting books and records and minutes of proceedings of the members of the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the Foundation.

The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form.

Section 3. INSPECTION BY DIRECTORS. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Foundation and each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 4. FINANCIAL STATEMENTS. A copy of any annual financial statement and any income statement of the Foundation for each quarterly period of each fiscal year, and any accompanying balance sheet of the Foundation as of the end of each such period, that has been prepared by the Foundation shall be kept on file in the principal executive office of the Foundation.

ARTICLE IX GENERAL CORPORATE MATTERS

Section 1. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Foundation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 2. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED. The Board of Directors, except as otherwise provided in these Bylaws, 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, and this authority may be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, 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 for any amount.

Section 3. CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE X AMENDMENTS; SUPERMAJORITY

Section 1. AMENDMENT BY DIRECTORS. Except as otherwise provided in these Bylaws, a restatement of, amendment to, repeal of or addition to these Bylaws shall be by the vote of a majority of a quorum of Directors. A quorum shall consist of a majority of the Directors then serving in office.

Section 2. SUPERMAJORITY VOTE. In those circumstances in which these Bylaws require a Supermajority vote, such vote shall require a minimum of seventy percent (70%) of the members of the Board of Directors.

ARTICLE XI ANNUAL REPORT

Section 1. ANNUAL REPORT. The Board shall cause an annual report to be sent to the Directors within one hundred twenty (120) days after the end of the Foundation's fiscal year. The report shall contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of the Foundation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The revenue or receipts of the Foundation, both unrestricted and restricted to particular purposes;
- (d) The expenses or disbursements of the Foundation, for both general and restricted purposes; and
- (e) Any information required by Section 2 below.

Section 2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATION. As part of the annual report to the Directors, the Foundation shall annually prepare and deliver to each Director a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the end of the Foundation's fiscal year:

- (a) Interested Person Transactions. Any transaction in which the Foundation, its parent, or its subsidiary was a party, in which an "interested person" had a direct or indirect material financial interest, and which involved more than \$50,000, or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is any Director or officer of the Foundation, its parent, or subsidiary provided that mere common directorship shall not be considered such an interest. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Foundation, the nature of their interest in the transaction and, if

practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(b) Indemnifications. Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the Foundation under Article IX of these Bylaws, unless that indemnification has already been approved by the Board under Section 5238(e) of the California Corporations Code.

ARTICLE XII GRANTS AND CONTRIBUTIONS

Section 1. RESTRICTED CONTRIBUTIONS. The Foundation may receive contributions from any persons or entities, in cash or in other property acceptable to the Board of Directors, including restricted contributions, provided that the Foundation may not accept contributions earmarked such that they must in any event be re-granted to one or more organizations created or organized outside the United States of America or any possession thereof ("foreign charitable organizations"), and further provided that any restrictions (i) are consistent with the Foundation's purposes and its qualification as a tax-exempt charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and (ii) are imposed by the donor by written instrument and accepted by the Board of Directors by resolution ("valid restrictions"). Unless otherwise specifically required, the Board of Directors may co-mingle restricted contributions with other assets of the Foundation for investment purposes. The Board of Directors shall make payments or distributions, in such amounts, at such times, in such manner and for such of the Foundation's purposes as the Board of Directors in its sole discretion determines from time to time, subject to any valid restrictions imposed on contributions to the Foundation.

Section 2. GRANTS TO FOREIGN CHARITABLE ORGANIZATIONS. The Board of Directors shall review all requests for funds received from foreign charitable organizations, require that a request specify the use to which the funds will be put, and if the Board of Directors or a duly appointed committee approves a request as being in furtherance of the Foundation's exempt purposes, authorize payment of the funds to the approved grantee. The Board of Directors shall require that the grantee organization furnish a periodic accounting, at least annually until the grant funds have been fully expended, to show that the funds were expended for the purposes approved by the Board of Directors. The Board of Directors in its sole discretion may refuse to make any grant or contribution or otherwise render financial assistance to or for any or all of the purposes for which funds are requested by a foreign charitable organization. If the Board of Directors reviews and approves a grant to a foreign charitable organization for a specific project or purpose as being in furtherance of the Foundation's exempt purposes, the Foundation may solicit contributions for that grant; provided, however, that the Board of Directors shall have the right at all times to withdraw approval of the grant and use the grant funds, including the contributions solicited, for the Foundation's other exempt purposes as determined by the Board of Directors in its sole discretion,

and further provided that the fact of the control and discretion of the Board of Directors over those contributions shall be made available to any contributor, upon request, whether before or after a contribution has been made.

Section 3. USA PATRIOT ACT OF 2001 PROTECTIONS. Before making any grant to a foreign charitable organization, the Board of Directors shall ensure that the grantee is not listed on the Specially Designated Nationals List maintained by the U.S. Treasury's Office of Foreign Assets Control. If continued support of any foreign charitable organization will be provided, the Board of Directors shall regularly check said list before making another grant, or releasing the next grant installment provided for in its written grant agreement with the grantee and shall not grant any further support to said foreign charitable organization if it is then listed on such Specially Designated Nationals List. The Board of Directors shall also assess the risk of diversion of grant funds based on the grantee and the circumstances, manage such risk by taking steps most likely to prevent diversion, and keep written records of the Foundation's grant procedures and risk assessments with respect to all grants to foreign charitable organizations.

ARTICLE XIII WINDING UP AND DISSOLUTION

Section 1. PROCEDURE. The Foundation may be wound up and dissolved upon a Supermajority vote of the Board of Directors.

Section 2. DISTRIBUTION OF ASSETS. Upon the dissolution of the Foundation, the remaining assets of the Foundation shall be distributed to such tax-exempt charitable organizations as may meet the general objectives and principal mission of the Foundation, or to a community foundation or other charitable organization which will carry out the Foundation's principal mission, in such manner as the Board of Directors deems reasonable and appropriate. Such termination and dissolution shall be subject to and bound by all then applicable rules of the Internal Revenue Code, and with such approval and consent as may be required by the Internal Revenue Service.

Exhibit “A”
Bylaws Removal Procedures

If a problem, as noted in Section 4 of the Foundation Bylaws exists, the Board Chair will promptly contact the Director to discuss the problem. The Director’s response will promptly be shared with the entire Board at the next Board meeting. At that meeting, the Board will decide what actions to take regarding the Director’s continued membership on the Board. If the Board decides to remove the Director, such removal will be conducted per the following policy:

1. The Board Chair will notify the subject Director in writing of the Board’s decision per the terms of the Board Attendance Policy;
2. This written notification will request a letter of resignation from the subject Director, to be received within two weeks;
3. If the subject Director refuses to resign, the Board will vote on the Director’s potential removal in accordance with the organization’s bylaws at the next Board meeting (be it a regular meeting or a special meeting);
4. If the subject Director agrees to resign, the Board will vote to accept the subject Director’s resignation letter at the next Board meeting (be it a regular meeting or a special meeting); and
5. The Board will promptly initiate a process to fill the resulting vacancy according to the organization’s bylaws.