

BYLAWS
of
THE CAMPANILE FOUNDATION
a California nonprofit public benefit corporation

Bylaws went into effect January 1, 2009

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**ARTICLE 1
OFFICES**

Section 1.1 *Principal Office.* The principal office of The Campanile Foundation (Foundation) for the transaction of the Foundations business shall be fixed and located in the County of San Diego, State of California, at such place as the Board of Directors shall determine. The Board is granted full power and authority to change said principal office from one location to another, subject to the foregoing limitations.

Section 1.2 *Other Offices.* Branch or subordinate offices may be established at any time by the Board at any place or places within the State of California.

**ARTICLE 2
PURPOSE**

The Foundation shall be an auxiliary organization of the California State University serving San Diego State University (SDSU) and shall have such purposes as are now or may hereafter be set forth in its Articles of Incorporation.

**ARTICLE 3
MEMBERS**

Section 3.1 *Members.* The Foundation shall have no members. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board of Directors. All rights which would otherwise vest in the members shall vest in the Directors.

Section 3.2 *Associates.* Nothing in this Article 3 shall be construed as limiting the right of the Foundation to refer to persons associated with it as members even though such persons are not members, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law (Law). The Foundation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a member, as set forth in the Law, upon any person or persons who do not have the right to vote for the election of Directors or on a disposition of substantially all of the assets of the Foundation or on a merger or on a dissolution or on changes to the Foundation's Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of said Section 5056.

ARTICLE 4
BOARD OF DIRECTORS

Section 4.1 Powers. The activities and affairs of the Foundation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board, in accordance with the laws governing auxiliary organizations of the California State University and the California Nonprofit Corporation Law, except as limited by the provisions of its Articles of Incorporation or these Bylaws. The Board may delegate the management of the activities of the Foundation to any person or persons, a management company or committees, 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. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

(a) To select and remove all Officers, agents, and employees of the Foundation, prescribe powers and duties for them as may not be inconsistent with law, the Articles or these Bylaws, fix their compensation and require from them such security, if any, for faithful service as the Board may deem appropriate.

(b) To conduct, manage and control the affairs and activities of the Foundation, and to make such rules and regulations therefor not inconsistent with law, the Articles or these Bylaws, as the Board may deem appropriate.

(c) To adopt, make and use a corporate seal and to alter the form of such seal from time to time as the Board may deem appropriate.

(d) To borrow money and incur indebtedness for the purposes of the Foundation and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor in accordance with the related financing policy of the Board of Trustees of the California State University.

Section 4.2 *Number of Directors.* The authorized number of Directors shall be not less than five (5) nor more than forty-five (45) until changed by amendment of these Bylaws. The exact number of Directors shall be fixed, within the limits specified, by resolution duly adopted by the Board. The initial number of Directors shall be five (5). In addition to the foregoing Directors, the Board shall also include the President of SDSU and the SDSU Vice President for University Relations and Development as *ex officio* Directors with full voting rights. As required by the California Code of Regulations for all auxiliary organizations to campuses of California State University, the Board of Directors shall include representation from each of the following categories: students of SDSU, faculty of SDSU, administration and staff of SDSU, and persons not of the other three categories. The Board of Directors may decide the level of representation for each such category, provided that at least one member of each category is a member of the Board. No individual who receives compensation for serving the Foundation as an Officer, agent, or employee or otherwise shall be eligible to serve as a Director during any period in which he or she is receiving such compensation.

Section 4.3 *Nomination.* Only persons who have been nominated for election by one or more members of the Board and whose nomination has been approved in writing by the President of SDSU may be elected as Directors.

Section 4.4 *Selection and Term of Office.* The Board shall be divided into three groups of as nearly equal size as possible. The terms of office for each group of Directors shall be staggered. The Directors in each group shall serve three-year terms. At each annual meeting of the Board, the entire Board shall elect a number of Directors who have been nominated as provided for in Section 4.3 equal to the number of Directors whose terms shall have expired at the time of such meeting, unless the authorized number of Directors has been changed by amendment or resolution pursuant to Section 4.2. If the authorized number of Directors is increased, additional Directors shall be assigned by the Board to one of the foregoing three groups at the time of election. Directors may not serve more than three consecutive terms on the Board without leaving the Board for at least one year.

Section 4.5 *Financially Interested Directors.* No person serving on the Board may, at any time, be financially interested in any contract or other transaction entered into by the Foundation, except as provided in this Section 4.5.

(a) Any contract or other transaction of the Foundation in which any of its Directors have a financial interest may be entered into, consummated or ratified only if:

- (1) The fact of such financial interest is disclosed or known to the Board and noted in the minutes, and the Board thereafter authorizes, approves or ratifies the contract or transaction in good faith by a vote of a majority of the directors then in office without counting the vote of the interested Director or Directors with interest in the transaction and with knowledge of the material facts concerning the transaction and the directors interest in the transaction; and

(2) The contract or transaction is just and reasonable as to the Foundation at the time it is authorized or approved. Prior to authorizing or approving the transaction the Board considered and in good faith determined after reasonable investigation under the circumstances that the Foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances or the Foundation in fact could not have obtained a more advantageous arrangement under the circumstances.

(b) Sections 4.5(a)(1) and (2) shall not be applicable if any of the following circumstances exist:

(1) The contract or transaction is between the Foundation and a Director;

(2) The contract or transaction is between the Foundation and a partnership or unincorporated association of which any Director is a partner or in which he or she is the owner or holder, directly or indirectly, of a material financial interest; or a transaction, of which the director or directors have no actual knowledge, and which does not exceed the lesser of 1 percent of the gross receipts of the Foundation for the preceding fiscal year or one hundred thousand dollars (\$100,000).

(3) The contract or transaction is between the Foundation and a corporation in which any Director is the owner or holder, directly or indirectly, of five percent or more of the outstanding common stock; or

(4) A Director has a financial interest in a contract or transaction of the Foundation and, without first disclosing such interest to the Board at a public meeting of the Board, influences or attempts to influence another Director or Directors to enter into the contract or transaction.

Section 4.6 *Resignation and Vacancies.*

(a) Subject to the provisions of Section 5226 of the Law, any Director may resign effective upon giving written notice to the Chairman of the Board, the Chief Executive Officer (CEO), or the Secretary of the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective, assuming the nomination has been approved in writing by the President of SDSU.

Bylaws went into effect January 1, 2009

(b) A vacancy on the Board shall be deemed to exist in case of the death, resignation or removal of any Director or an increase in the authorized number of Directors. Vacancies on the Board shall be filled in the same manner as the Director whose office is vacant was selected, provided that any vacancy to be filled by election by Directors may be filled by a majority of the remaining Directors, although less than a quorum, or by a sole remaining Director at any regular or special meeting of the Board, assuming the nomination has been approved in writing by the President of SDSU. Each Director so selected shall hold office until the expiration of the term of the replaced Director and until a successor has been selected and qualified.

Section 4.7 Removal. Any Director or Directors may be removed from office without cause if such removal is approved by a majority of the Directors then in office, assuming the removal has been approved in writing by the President of SDSU. The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final court or judgment of any court to have breached any duty arising under Sections 5230 through 5238 of the Law. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

Section 4.8 Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all Foundation books, records and documents of every kind and to inspect the physical properties of the Foundation.

Section 4.9 Executive Committee. The Foundation shall have an Executive Committee which shall be composed of the Chair, Vice Chairs of the standing committees, CEO, Chief Financial Officer (CFO) , and President of SDSU. The Executive Committee shall, except when the Board is in session, manage the activities of the Foundation. A majority of the members of the Executive Committee constitutes a quorum. Members of the Executive Committee shall serve in this capacity for the time they hold the office of Chair, Vice Chairs, CEO, CFO and President of SDSU. The Executive Committee may authorize the seal of the Foundation to be affixed to all papers which may require it.

Section 4.10 Standing or Special Committees.

(a) The term standing committee shall mean any committee appointed by the Board which is authorized by specific delegation, without further Board action, to make and implement decisions on behalf of the Board, or to implement, with some degree of discretion, decisions of the Board pursuant to guidelines established by the Board. The standing committees of the Board shall be: Finance and Investment Committee, Audit Committee, and the Nominating and Governance Committee.

[1] Finance and Investment Committee. The Foundation shall have a Finance and Investment Committee that shall oversee the financial affairs

of the Foundation, recommend and monitor Foundation operating budget, monitor the investment policy statement, review the performance of investments, and related assets. It will be composed of a Vice Chair, CEO, and two or more other members of the Board of Directors. A majority of the members of the Finance and Investment Committee constitutes a quorum.

[2] Audit Committee. The Foundation shall have an Audit Committee comprised of Board members selected by a majority vote of the Directors in office. The Audit Committee shall make recommendations to the Board of Directors with respect to the engagement or discharge of independent auditors, direct and supervise investigation into matters relating to audit functions, and review with independent auditors the plans and scope of annual audits. This committee will provide supplemental instructions to the Foundation's independent auditors as necessary to comply with SDSU and Foundation standards and requirements. This committee will oversee the annual audit of the Foundation. A majority of the members of the Audit Committee constitutes a quorum. It is preferred that members on the Audit Committee have a background in accounting or financial management. The Vice Chair of the Finance and Investment Committee may not also serve as the Vice Chair of the Audit Committee.

[3] Nominating and Governance Committee. The Foundation shall have a Nominating and Governance Committee, which shall nominate qualified candidates for the Board. It shall be chaired by a member of the Board designated by the Executive Committee and shall be composed of the Chair of the Board of Directors, the SDSU President or designee, and three (3) other members of the Board of Directors. A majority of the members of the Nominating Committee constitutes a quorum. In addition, the committee will be responsible for evaluating the organizational structure of the Foundation and making recommendations to improve the overall governance of the organization.

(b) In the event that the Board determines that the management of the Foundation would be benefited by the establishment of one or more special committees, the Board may from time to time establish one or more such committees. The establishment of a special committee shall be effected by a resolution of the Board approved by the vote of the majority of the Directors then in office which specifically sets forth the powers and duties delegated to such committee. Each such committee shall consist of two or more Directors..

Section 4.11 *Limitations upon Committees of the Board.* No standing or special committee of the Board shall have any of the authority of the Board with respect to:

(a) the filling of vacancies on the Board or on any committee which is appointed by the Board;

Bylaws went into effect January 1, 2009

- (b) the amendment or repeal of Bylaws or the adoption of new Bylaws;
- (c) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (d) the appointment of committees of the Board or the members thereof;
- (e) the expenditure of Foundation funds to support a nominee for Director after there are more people nominated for Director than can be elected; or
- (f) the approval of any self-dealing transaction except as provided in Section 4.5.

Section 4.12 *Place of Meetings.* All regular and special meetings of the Board and its committees shall be held at the principal office of the Foundation or at another location in San Diego County, California, approved by the Board or the committee provided such location is able to accommodate the Board or committee and the members of the public reasonably expected to attend.

Section 4.13 *Public Meetings.* Except as otherwise provided in this Section 4.13, the Board and all of its committees shall conduct their business in public meetings. Each regular and special meeting of the Board and its committees shall be open to the general public and neither the Board nor any of its committees shall take action on any issue until that issue has been publicly posted for at least one (1) week. Notwithstanding the foregoing, the Board and any of its committees may hold closed meetings for any of the following purposes within the meaning of Section 89923 of the California Education Code:

- (a) To consider matters relating to litigation and collective bargaining;
- (b) To consider the appointment, employment, evaluation of performance or dismissal of an employee;
- (c) To hear complaints or charges brought against an employee by another person or employee, unless the employee requests a public hearing; and
- (d) To discuss investments where a public discussion could have a negative impact on the Foundation's financial situation, but only if a majority of the then serving Directors or committee members vote to hold such a closed meeting, and only where the final decision with respect to such investments is made during a public meeting or meetings.

Section 4.14 *Annual Meetings.* The Board shall hold an annual meeting for the purposes of electing Directors and Officers, and transacting other business of the Foundation. Annual meetings of the Board shall be held on such dates and at such times as may be fixed by the Bylaws went into effect January 1, 2009

Board. Elections may be held by ballot, upon the request of any Director. Where elections are held by ballot, sample ballots shall be provided to any Director, upon request.

Section 4.15 *Regular Meetings.* Other regular meetings of the Board and its committees may be held on such dates and at such times as may be fixed by the Board, provided that the Board shall, during each fiscal year, hold at least one regular business meeting each quarter.

Section 4.16 *Special Meetings.* Special meetings of the Board and its committees may be called at any time for any purpose or purposes, by the then Chair of the Board or the respective committee or by a majority of the then serving Directors or the respective committee members.

Section 4.17 *Notice.*

(a) The Board and any standing committee shall annually establish by resolution the time, date, and location for annual and regular meetings. The Board and any standing committee shall, at least one week prior to the date set for the meeting, post written notice of every regular meeting and shall specify the time and place of the meeting and the business to be transacted on the SDSU website. The call and notice of a special meeting shall be posted at least 24 hours prior to any meeting and shall specify the time and place of the special meeting and the business to be transacted. Any such notices shall also be transmitted to each Director or committee member at his or her address as it is shown upon the records of the Foundation or as may have been given to the Foundation for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place where the meetings of the Directors are regularly held.

(b) Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient.

Section 4.18 *Notice to Outside Parties.* Any individual or entity may file a written request with the Foundation for notice of meetings. Any such request shall be valid for one year from the date on which it is received by the Foundation and may be renewed each year. At least one (1) week prior to the date set for any annual or regular meeting of the Board or its committees (and any special meeting of the Board or a committee that is called at least one (1) week before it is to be held), written notice of such meeting shall be given to any individual or entity who has filed a written request pursuant to this Section 4.18.

Section 4.19 *Contents of Notice.* Notice given pursuant to Section 4.17 or 4.18 shall specify the date, time and place of the meeting. In addition, any such notice given for a special meeting of the Board or a committee shall specify the business to be transacted at the meeting and no business shall be transacted at such special meeting other than the business specified in the notice.

Section 4.20 *Quorum.* A majority of the number of Directors or committee members then serving constitutes a quorum of the Board or of such committee for the transaction of

Bylaws went into effect January 1, 2009

business, except to adjourn as provided in Section 4.23. Every act or decision done or made by a majority of the Directors or committee members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board or of such committee, unless a greater number be required by law or by the Articles, except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors or committee members, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 4.21 *Participation in Meetings by Conference Telephone.* Directors and committee members may participate in a meeting of the Board or a committee through use of a conference telephone or similar communications equipment, so long as all Directors or committee members participating in such meeting can hear one another and such meeting provisions are in compliance with the meeting provisions set forth in California Education Code Sections 89920-89928.

Section 4.22 *Waiver of Notice.* Notice of a meeting need not be given to any Director or committee member who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who is present at the meeting's commencement and does not protest the lack of notice prior thereto or at the meeting's commencement. The waiver of notice may also be given by telegram. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 4.23 *Adjournment.* A majority of the Directors or committee members present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors or committee members if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, reasonable notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors or committee members who were not present at the time of the adjournment.

Section 4.24 *Fees and Compensation.* No Director shall receive any salary or other similar compensation for services rendered as a Director or committee member. However, Directors may receive reimbursement for expenses as determined by Board policy. Notwithstanding the foregoing, the Foundation 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; provided, however, that the Foundation may advance money to a Director or Officer of the Foundation for expenses reasonably anticipated to be incurred in the performance of the duties of such Officer or Director, provided that in the absence of any such advance, such Director or Officer would be entitled to be reimbursed for such expenses by the Foundation.

ARTICLE 5 OFFICERS

Section 5.1 Corporate Officers. The Corporate Officers of the Foundation shall be a Chief Executive Officer, a Secretary and a Chief Financial Officer. The Foundation will have a Chairman of the Board, and three Vice Chairs of standing committees. Any number of offices may be held by the same person except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the Chief Executive Officer or Chairman of the Board and Vice Chair of Finance and Investment Committee may not also serve as Vice Chair of Audit Committee.

Section 5.2 Election of Corporate Officers. The Foundation's Chief Executive Officer shall be elected by the Board from among persons nominated by the President of SDSU. Except such Officers as may be elected or appointed in accordance with the provisions of Section 5.4, other Corporate Officers of the Foundation shall be nominated by the CEO, and shall be elected annually by, and shall serve at the pleasure of the Board, and shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be elected.

Section 5.3 Removal and Resignation.

(a) Any Officer may be removed, either with or without cause, by the Board at any time or, except in the case of an Officer chosen by the Board, by any Officer upon whom such power of removal may be conferred by the Board. Any such removal shall be without prejudice to the rights, if any, of the Officer under any contract of employment of the Officer.

(b) Any Officer may resign at any time by giving written notice to the Foundation, but without prejudice to the rights, if any, of the Foundation under any contract to which the Officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.4 Vacancies. 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 election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 5.5 Chairman of the Board. The Chairman of the Board shall, if present, preside at all meetings of the Board and shall exercise and perform such other powers and duties as may be from time to time assigned by the Board. In the absence of the Chairman of the Board, a Vice Chair designated by the Chairman shall preside at all meetings of the Board.

Section 5.6 Chief Executive Officer(CEO). Subject to such powers, if any, as may be given by the Board to the Chairman of the Board, the Chief Executive Officer is the general manager and chief corporate officer of the Foundation and has, subject to the control of the Board, general supervision, direction and control of the business and Officers of the Foundation. The Bylaws went into effect January 1, 2009

Chief Executive Officer has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board.

Section 5.7 *Secretary.* The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of the Board and committees of the Board, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the Foundation's Articles and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by law or by these Bylaws to be given, shall keep the seal of the Foundation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 5.8 *Chief Financial Officer (CFO).* The CFO shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Foundation. The books of account shall at all times be open to inspection by any Director. The CFO shall deposit all moneys and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the Board. The CFO shall disburse the funds of the Foundation as may be ordered by the Board, shall render to the Chief Executive Officer and the Directors, whenever they request it, an account of all transactions as CFO and of the financial condition of the Foundation, and shall have such other powers and perform such other duties as may be prescribed by the Board.

ARTICLE 6 OTHER PROVISIONS

Section 6.1 *Endorsement of Documents; Contracts.* Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Foundation and any other person, when signed by the Chair of the Board, the CEO or the Secretary, or the CFO shall be valid and binding on the Foundation in the absence of actual knowledge on the part of the other person that the signing Officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, 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 amount.

Section 6.2 *Representation of Shares of Other Corporations.* The CEO, or any other Officer or Officers authorized by the Board or the Chief Executive Officer, are each 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. The authority herein

Bylaws went into effect January 1, 2009

granted may be exercised either by such Officer in person or by any other person authorized to do so by proxy or power of attorney duly executed by said Officer.

Section 6.3 Construction and Definitions. Unless the context otherwise requires, the construction of these Bylaws shall be governed by such rules and regulations as may be established by SDSU and/or the Board of Trustees of California State University; the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law and the California Nonprofit Public Benefit Corporation Law; and the provisions governing auxiliary organizations found in California Education Code Sections 89900, *et seq.*, California Code of Regulations, and Title 5 Sections 424000, *et seq.*

Section 6.4 Amendments. These Bylaws may be amended or repealed, subject to the provisions of the Law, only by the approval of the Board and with the written consent of the President of SDSU.

Section 6.5 Maintenance of Certain Records. The accounting books, records, minutes of proceedings of the Board and the Executive Committee of the Board shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal business office of the Foundation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form, or in any other form capable of being converted into written, typed or printed form.

Section 6.6 Annual Report.

(a) The Board shall cause an annual statement of transactions with interested persons report to be furnished to the Directors not later than one hundred twenty (120) days after the close of the Foundation's fiscal year. The report shall be accompanied by the report of an annual fiscal audit performed by a certified public accountant in accordance with the provisions of California Education Code Section 89900 and California Code of Regulations, Title 5, Section 42408 and any applicable procedures prescribed by the Chancellor or Board of Trustees of California State University. In addition to any information required by the foregoing provisions and procedures, the annual report shall contain in appropriate detail the following:

- (1) The assets and liabilities, including the trust funds, of the Foundation as of the end of the fiscal year;
- (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (3) The revenue or receipts of the Foundation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (4) The expenses or disbursements of the Foundation for both general and restricted purposes during the fiscal year; and

(5) Any information required by Section 6.7 of these Bylaws.

(b) A copy of the audited financial statement shall be submitted to the Chancellor and Board of Trustees of California State University and shall be available to any person or entity upon request. In addition, the audited financial statement shall be disseminated as widely as is feasible, which may be accomplished by:

(1) Publishing the financial statement in a campus newspaper;

(2) Publishing a notice in a campus newspaper indicating the on-campus location where copies of the financial statement may be obtained or reviewed; or

(3) Publishing or noticing the financial statements in accordance with paragraphs 6.6(b)(1) or (2) in a campus bulletin or other appropriate medium if a campus newspaper is unavailable.

Section 6.7 *Annual Statement of Certain Transactions and Indemnifications.*

(a) The Foundation shall furnish annually to its Directors a statement of any covered transaction or indemnifications described below, if such covered transaction or indemnification took place. Such annual statement shall be affixed to and sent with the annual report described in Section 6.6 of these Bylaws. A covered transaction under this Section 6.7 is a transaction in which the Foundation was a party, and in which either of the following interested persons had a direct or indirect material financial interest (excluding a mere common directorship):

(1) Any Director or Officer of the Foundation, or its parent or subsidiary; or

(2) Any holder of more than ten percent (10%) of the voting power of the Foundation, its parent or its subsidiary.

(b) The statement required by this Section 6.7 shall describe briefly:

(1) Any covered transaction during the previous fiscal year involving more than Fifty Thousand Dollars (\$50,000), or which was one of a number of covered transactions in which the same interested persons had a direct or indirect material financial interest and which transactions in the aggregate involve more than Fifty Thousand Dollars (\$50,000).

(2) The names of the interested persons involved in such transactions, stating such person's relationship to the Foundation, the nature of such person's interest in the transaction, and, where practicable, the amount of such interest.

(3) The amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any Officer or Director of the Foundation pursuant to Article 7 of these Bylaws.

Section 6.8 Indemnification of Directors, Corporate Officers, and Other Agents

(a) Right of Indemnity. To the fullest extent permitted by law, the Foundation shall have the power to indemnify its agents as defined in Section 5238(a) of the California Corporations Code against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is defined in that Section, and including an action by or in the right of the Foundation, by reason of the fact that the person is or was an agent described in that section. "Expenses," as used in this By-law, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

(b) Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 5238(b) or (c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or (c) has been met and, if so, the Board shall authorize indemnification.

[c] Insurance. The Foundation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its agents

TABLE OF CONTENTS

	Page
ARTICLE 1 - OFFICES	1
Section 1.1 <i>Principal Office</i>	1
Section 1.2 <i>Other Offices</i>	1
ARTICLE 2 - PURPOSE.....	1
ARTICLE 3 - MEMBERSHIP	1
Section 3.1 <i>Members</i>	1
Section 3.2 <i>Associates</i>	1
ARTICLE 4 - DIRECTORS	2
Section 4.1 <i>Powers</i>	2
Section 4.2 <i>Number of Directors</i>	2
Section 4.3 <i>Nomination</i>	3
Section 4.4 <i>Selection and Term of Office</i>	3
Section 4.5 <i>Financially Interested Directors</i>	3
Section 4.6 <i>Resignation and Vacancies</i>	4
Section 4.7 <i>Removal</i>	4
Section 4.8 <i>Rights of Inspection</i>	5
Section 4.9 <i>Executive Committee</i>	5
Section 4.10 <i>Standing or Special Committees</i>	5
Section 4.11 <i>Limitations upon Committees of the Board</i>	6
Section 4.12 <i>Place of Meetings</i>	6
Section 4.13 <i>Public Meetings</i>	7
Section 4.14 <i>Annual Meetings</i>	7
Section 4.15 <i>Regular Meetings</i>	7
Section 4.16 <i>Special Meetings</i>	7
Section 4.17 <i>Notice</i>	7
Section 4.18 <i>Notice to Outside Parties</i>	8
Section 4.19 <i>Contents of Notice</i>	8
Section 4.20 <i>Quorum</i>	8
Section 4.21 <i>Participation in Meetings by Conference Telephone</i>	8
Section 4.22 <i>Waiver of Notice</i>	8
Section 4.23 <i>Adjournment</i>	9
Section 4.24 <i>Fees and Compensation</i>	9
ARTICLE 5 - OFFICERS.....	9
Section 5.1 <i>Corporate Officers</i>	9
Section 5.2 <i>Election of Corporate Officers</i>	9
Section 5.3 <i>Removal and Resignation</i>	9
Section 5.4 <i>Vacancies</i>	10
Section 5.5 <i>Chairman of the Board</i>	10

Bylaws went into effect January 1, 2009

Section 5.6	<i>Chief Executive Officer</i>	10
Section 5.7	<i>Secretary</i>	10
Section 5.8	<i>Chief Financial Officer</i>	10
ARTICLE 6 - OTHER PROVISIONS		11
Section 6.1	<i>Endorsement of Documents; Contracts</i>	11
Section 6.2	<i>Representation of Shares of Other Corporations</i>	11
Section 6.3	<i>Construction and Definitions</i>	11
Section 6.4	<i>Amendments</i>	11
Section 6.5	<i>Maintenance of Certain Records</i>	11
Section 6.6	<i>Annual Report</i>	11
Section 6.7	<i>Annual Statement of Certain Transactions and Indemnifications</i>	12
Section 6.8	<i>Indemnification of Directors, Corporate Officers, and Other gent</i>	13