

YOUNG MEN'S
INSTITUTE



**By-Laws of the
Seminarian Educational Foundation
of the Young Men's Institute
A California Nonprofit Public Benefit Corporation**

- A. The general purpose of this corporation is to engage in charitable and educational activities.
- B. The specific purpose of this corporation is to provide financial assistance to candidates for the priesthood of the Catholic Church.

ARTICLE I

Principal office of this corporation shall be located in the County of San Mateo, California. The Board of Directors may change the location of the principal office.

ARTICLE II

Section 1. Membership. The corporation shall have only one class of members. Members of the corporation shall be those Subordinate Councils of the Young Men's Institute in good standing.

Each such Subordinate Council shall be entitled to one membership.

Section 2. Rights of Membership. All members shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all, or substantially all of the corporation's assets, on any merger and its principle terms, and any amendment to those terms, and on any election to dissolve the corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Benefit Corporation Law.

Section 3. Dues, Fees, and Assessments. There shall be no dues, fees, or assessments for membership in the corporation.

Section 4. Termination of Membership. A membership shall terminate upon the termination of the member's status as a Subordinate Council of the Young Men's Institute.

Section 5. Suspension of Membership. A membership shall be suspended upon the suspension of the member's status as a Subordinate Council of the Young Men's Institute. A council whose membership is suspended shall not be a member during the period of suspension.

Section 6. Transfer of Memberships. No membership, or right arising from membership shall be transferred.

Section 7. Annual Meeting. An annual meeting of members shall be held during the annual convention of the Grand Council of the Young Men's Institute. At the meeting directors shall be elected and other proper business may be transacted, subject to Section 13 of these bylaws.

Section 8. Place of Meeting. Meetings of the members shall be held at any place within or outside California designated by the Board or by written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members meetings shall be held at the corporation's principle office.

Section 9. Special Meetings. The Board or the Chairman of the Board, if any, or the President, or five percent (5%) or more of the members may call a special meeting of the members for any lawful purpose, at any time.

Section 10. Calling Special Meetings. A special meeting called by any person entitled to call a meeting, (other than the Board), shall be called by written request, specifying the general nature or the business proposed to be transacted, and submitted to the Chairman of the Board, if any, or the President, or any Vice President, or the Secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, stating that a meeting will be held at a specified time and date fixed by the board, provided however, that the meeting date shall be at least 35, but no more than 90 days after receipt of the request.

If the notice is not given within 20 days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

Section 11. Proper Business. No business other than the business that was set forth in the notice of meeting may be transacted at a special meeting.

Section 12. General Notice Requirement. Whenever members are required, or permitted to take any action at a meeting, a written notice of the meeting shall be given to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting. For the annual meeting the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.

Section 13. Notice of Certain Agenda Items. Approval by the members of any of the following proposals, other than by unanimous approval by those elected to vote, is valid only if the notice, or written waiver of notice, states the general nature of the proposal, or proposals.

- (a) Removing a Director without cause;
- (b) Filling vacancies on the Board;
- (c) Amending the Articles of Incorporation; or
- (d) Electing to wind up and dissolve the corporation.

Section 14. Manner of Giving Notice. Notice of any meeting of members shall be in writing, and shall be given at least 10 but not more than 90 days before the meeting date. The notice shall be given either personally or by first class, registered, or certified mail, or by any other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member as it appears on the books of the corporation, or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first class mail, or facsimile, or other written communication to the corporation's principal office, or (ii) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

Section 15. Affidavit of Mailing Notice. An affidavit of the mailing of any notice of any Member Meeting, or of the giving of such notice by other means, may be executed by the Secretary, Assistant Secretary, or any transfer agent of the corporation, if so executed, shall be filed and maintained in the corporation's minute book.

Section 16. Quorum. Thirty three and one –third percent (33 1/3 %), of the voting power shall constitute a quorum for the transaction of business at any meeting of the members.

Section 17. Eligibility to vote. Subject to the California Nonprofit Public Benefit Corporation Law, members in good standing on the record date shall be entitled to vote at any meeting of members.

Section 18. Manner of Voting. Voting may be by voice or by ballot, except that any election of directors must be by ballot if demanded before the voting begins by any member at the meeting.

Section 19. Number of Votes. Each member entitled to vote may cast one vote on each matter submitted to a vote of the members.

Section 20. Approval by Majority Vote. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote, and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Corporation Law, or by the articles of incorporation.

Section 21 Waiver of Notice or Consent. The transactions of any meeting of members, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice if; **(a)**, a quorum is present in person and, **(b)**, either before or after the meeting each member entitled to vote, not present in person, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval, need not specify either the business to be transacted, or the purpose of the meeting, except that if action is taken, or proposed to be taken for approval of any matter specified in Section 13 of these bylaws, the waiver of notice, consent, or approval, shall state the general nature of the proposal. All such waivers, consents, or approvals, shall be filed with the corporate records, or made a part of the minutes of the meeting.

A member’s attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting was not a waiver of any right to object to the consideration of matters required to be included in the notice of meeting, but not so included if that objection is expressly made at the meeting.

Section 22. Action by Unanimous Written Consent. Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consensus shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the members.

Section 23. No Proxy Rights. Members shall not have the right to vote by proxy on any matter coming before the membership.

Section 24. Adjournment and Notice of Adjourned Meetings. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting. No meeting may be adjourned for more than 45 days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

ARTICLE III BOARD OF DIRECTORS

Section 1. Powers. This corporation shall have powers to the full extent allowed by law. All powers and activities of this corporation shall be exercised and managed by the Board of Directors of this corporation directly or, if delegated, under the ultimate direction of the Board.

Section 2. Number of Directors. The Board of Directors shall consist of the incumbent Grand President, Grand First Vice President, and Grand Second Vice President of the Young Men's Institute serving as ex-officio members of the Board, and twelve persons to be elected at the annual meeting of the corporation, making a total membership of fifteen (15). No director may serve as both an ex-officio member and an elected member of the Board.

Section 3. Limitations on Interested Persons. At all times, not more than 49% of the directors of this corporation may be interested persons. An interested person –means either: **(a).** any person currently being compensated by this corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director., or: **(b).** any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. Election and Term of Office of Directors. The initial twelve directors to be elected shall be appointed by the Grand President of the Young Men's Institute with four directors serving a one year term, four directors serving a two year term, and four directors serving a three year term. Thereafter each director other than those acting by virtue of

being a Grand Officer of the Young Men's Institute, shall be elected for a term of three years. Each director shall hold office until a successor has been elected.

Section 5. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. Vacancies may be filled by the remaining directors for the unexpired portion of the term.

Section 6. Resignation and Removal. Resignations shall be effective upon receipt in writing by the Chairman (if any), the President, the Secretary, or the Board of Directors of this corporation unless a later effective date is specified in the resignation. A majority of the directors then in office may remove any director at any time, with or without cause.

Section 7. Annual Meeting. The annual meeting of the board of directors shall be held during the annual convention of the Grand Council of the Young Men's Institute.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President, the Chairman (if any), or any two Directors, and noticed in accordance with Section 9.

Section 9. Notice. Notice of the Annual Meeting, and any special meetings of the Board of Directors shall be given to each Director at least four days before any such meeting if given by first class mail, or forty-eight hours before any such meeting if given personally, or by telephone, including a voice messaging system, or other system, or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, and shall state the date, place, and time of the meeting.

Section 10. Waiver of Notice. The transactions of any meetings of the Board of Directors, however called and noticed, and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records, or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting the lack of adequate notice before the meeting, or its commencement.

Section 11. Quorum. A majority of the total number of Directors then in office shall constitute a quorum, provided that this provision shall not be amended to reduce the required quorum to less than one-fifth of the authorized number of Directors, or two Directors, whichever is larger. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in Article III, Sections 6, and 12; Article IV, Section 1; Article VI, Section 3; Article VII, Section 2; and Article IX, Section 4, of these bylaws or in

the California Nonprofit Public Benefit Corporation Law. 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 such meeting.

Section 12. Action Without A Meeting. Any action required or permitted to be taken by the Board may be without a meeting if all Members of the Board shall individually, or collectively, consent to such action. Such written consents shall be filed with the minutes of the proceedings of the Board. Such written consents shall have the same force and effect as the unanimous vote of such Directors.

Section 13. Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment so long as all of the following apply:

- (a) each Director participating in the meeting can communicate with all of the other Directors concurrently;
- (b) each Director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to a specific action to be taken by the corporation; and
- (c) this corporation verifies that (i) a person communicating by telephone, electronic video screen, or other communications equipment is entitled to participate in the Board meeting as a Director, or by invitation of the Board, or otherwise, and (ii) all motions, votes, or other actions required to be made by a Director were actually made by a Director, and not by someone who is not entitled to participate as a Director.

Section 14. Standard of Care.

A. **General.** A Director shall perform the duties of a Director, including duties as a member of any Board Committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of this corporation, and with such care, including reasonable inquiry as an ordinarily prudent person in a like situation would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements, and other financial data, in each case prepared or presented by:

- (i) one or more officers or employees of this corporation whom Director believes to be reliable and competent as to the matters presented;
- (ii) counsel, independent accountants, or other persons, as to matters which the Director believes to be within such person's professional or expert competence; or

(iii) a Board Committee upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such Committee merits confidence.

So long as in any such case, the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted. Except as provided in Article VI below, a person who performs the duties of a Director in accordance with this Section, shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including without limiting the generality of the foregoing, any actions or omissions which exceed, or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

B. Investments. Except with respect to assets held for use or used directly in carrying out this corporation's charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing this corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of this corporation's capital. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to this corporation.

Section 15. Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this corporation.

Section 16. Compensation. The Board of Directors may authorize, by resolution, the payment to a Director, of a reasonable fee for services, and or the reimbursement or advance of actual and reasonable expenses incurred as a Director, including expenses of attending meetings of the Board and Board Committees.

ARTICLE IV COMMITTEES

Section 1. Board Committees. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, create any number of Board Committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Appointments to any Board Committee shall be made by any method determined by a majority vote of the Directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

- (a) Set the number of Directors within a range specified in these Bylaws;
- (b) Elect Directors, or remove Directors without cause;
- (c) Fill vacancies on the Board of Directors, or on any Board Committee;
- (d) Fix compensation of Directors for serving on the Board, or any Board Committee;

- (e) Amend, or repeal these Bylaws, or adopt new Bylaws;
- (f) Adopt amendments to the Articles of Incorporation of this corporation;
- (g) Amend or repeal any resolution of the Board of Directors, which by its express terms is not so amendable, or repeal able;
- (h) Create any other Board Committees or appoint the members of any Board Committees; or
- (i) Approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this corporation.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a matter consistent with the requirements of Section 3 of Article VI of these Bylaws; provided that, at its next meeting, the full Board determines in good faith that the Board Committee's approval of the transaction was consistent with the requirements in Section 3 of Article VI, and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the Directors then in office, without the vote of any interested Director.

Section 2. Advisory Committees. The Board of Directors may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of Directors, or non-directors, and may be appointed as the Board determines. Advisory Committees may not exercise the authority of the Board to make decisions on behalf of this corporation, but shall be restricted to making recommendations to the Board, or Board Committees, and implementing Board, or Board Committee, decisions and policies under the supervision and control of the Board, or Board Committee.

Section 3. Meetings of Board Committees. Meetings and actions of Board Committees shall be governed by, and held, and taken, in accordance with the provisions of Article III of these Bylaws concerning meetings and actions of the Board of Directors, with such changes in the content of those Bylaws as are necessary to substitute the Board committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

A. Of Advisory Committees. Advisory Committees shall determine their own meeting rules, and whether minutes shall be kept.

The Board of Directors may adopt rules for the governance of any Board, or Board Advisory Committee, not inconsistent with the provisions of these Bylaws.

ARTICLE V OFFICERS

Section 1. Officers. The officers of this corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The corporation may also have, at the discretion of the Directors, such other officers as may be appointed by the Board of Directors. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President, or Chairman of the Board, if any.

Section 2. Election. The officers of this corporation shall be elected annually by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors, or by an officer on whom such power of removal may be conferred by the Board of Directors.

Section 4. Resignation. Any officer may resign at any time by giving written notice to this corporation. Any resignation shall take effect on receipt of that notice by such officer, or at any later time specified by 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 this corporation under any contract to which the officer is a party.

Section 5. Vacancies. A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to that office.

Section 6. President. The President shall be the chief executive officer of this corporation and shall, subject to control of the Board, generally supervise, direct, and control the business and other officers of this corporation. The President shall preside at all meetings of the Board of Directors. The President shall be a member of all Board Committees, and shall have the general powers and duties of management usually vested in the office of President of the corporation, and shall have such other powers and duties as may be prescribed by the Board, or these Bylaws.

Section 7. Vice President. The Vice President shall, in the absence of the President, carry out the duties of the President, and shall have such other powers and duties as may be prescribed by the Board, or these Bylaws.

Section 8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board of Directors and its committees, and shall supervise the giving of such notices as may be proper or necessary. Shall supervise the keeping of minute books of this corporation, and shall have such other powers and duties as may be prescribed by the Board, or these Bylaws.

Section 9. Treasurer. The Treasurer shall supervise the charge and custody of all funds of this corporation, the deposit of such funds in the manner prescribed by the Board of Directors, and the keeping and maintaining of adequate and correct accounts of this corporations properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board, or these Bylaws.

ARTICLE VI PROHIBITED TRANSACTIONS

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, this corporation shall not make any loan of money or property to, or guarantee the obligation of any Director or Officer, provided however, that this corporation may advance money to a Director or Officer of this corporation, or any subsidiary, for expenses reasonably anticipated to be incurred in performance of the duties of such Director or Officer, so long as such individual would be entitle to be reimbursed for such expenses, absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 following, the Board of Directors shall not approve or permit the corporation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which this corporation is a party, and in which one or more of its Directors has a material financial interest, unless the transaction comes within California Corporations Code Section 5233(b).

Section 3. Approval. This corporation may engage in a self-dealing transaction if the transaction is approved by a court, or by the Attorney General. This corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a), this corporation is entering into the transaction for its own benefit; (b), the transaction is fair and reasonable to this corporation at the time; and (c), after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the Director's interest in the transaction, and by a vote of a majority of the Directors then in office, without counting the vote of the interested Director, or Directors.

ARTICLE VII INDEMNIFICATION AND INSURANCE

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, this corporation shall indemnify and advance to its agents. In connection with any proceeding, and, in accordance with Section 5238, for purposes of this Article, “agent” shall have the same meaning as in Section 5238(a), including Directors, Officers, employees, other agents, and persons formerly occupying such positions; “proceeding” shall have the same meaning as in Section 5238(a), including any threatened action, or investigation, under Section 5233 or brought by the Attorney General; and “expenses” shall have the same meaning as in Section 5238(a), including reasonable attorney’s fees.

Section 2. Approval of Indemnity. On written request to the Board of Directors in each specific case, by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of Directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b), or Section 5238(c), and if so, shall authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, and except as otherwise determined by the Board of Directors in specific instances, the Board shall authorize the advance of expenses incurred by, or on behalf of an agent of this corporation, in defending any proceeding prior to final disposition, if the Board finds that:

- (a) The requested advances are reasonable in amount under the circumstances; and
- (b) Before any advance is made, the agent will submit a written undertaking, satisfactory to the Board, to repay the advance, unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

Unless the Board finds compelling reasons to do otherwise, the undertaking shall be unsecured, and no interest shall be charged on the obligation created thereby.

Section 4. Insurance. The Board of Directors may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, and such insurance may provide for coverage against liabilities beyond this corporation’s power to indemnify the agent under law.

ARTICLE VIII GRANTS ADMINISTRATION

Section 1. Purpose of Grants. This corporation shall have the power to make grants and contributions, and to render other financial assistance for the purposes expressed in this corporation's Articles of Incorporation.

Section 2. Exclusive Power in the Board of Directors. The Board of Directors shall have exclusive control over grants, contributions, and other financial assistance given by this corporation. The Board shall review all requests for funds and shall require that such requests specify the use to which the funds will be put. If the Board approves a request for funds, the Board shall authorize payment of such funds to the approved grantee.

Section 3. Refusal; Withdrawal. The Board of Directors, in its absolute discretion, shall have the right to refuse to make any grants or contributions, or to render other financial assistance, for any and all of the purposes for which the funds are requested. In addition, the Board, in its absolute discretion, shall have the right to withdraw its approval of any grant at any time, and use the funds for other purposes within the scope of the purposes expressed in this corporation's Articles of Incorporation.

Section 4. Accounting Required. The Board of Directors may require that grantees furnish a periodic accounting to show that the funds granted by this corporation were expended for the purposes that were approved by the Board.

Section 5. Restrictions on Contributions. This corporation shall retain complete control and discretion over the use of all contributions it receives. Contributions received by the corporation from solicitations for specific grants shall be regarded as for the use of this corporation, and not for any particular organization or individual mentioned in the solicitation.

ARTICLE IX MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of this corporation shall end each year on March 31.

Section 2. Contracts, Notes, and Checks. All contracts entered into on behalf of this corporation must be authorized by the Board of Directors, or the person or persons, whom such power may be conferred by the Board from time to

time, and except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of this corporation shall be signed by the person or persons on whom such power may be conferred by the Board from time to time.

Section 3. Annual Report to Directors. Within 120 days after the end of this corporation's fiscal year, the President shall furnish a written report to all Directors of this corporation containing the following information:

- (a) The assets and liabilities, including the trust funds of this corporation, as of the end of the fiscal year;
- (b) The principle changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of this corporation, both unrestricted and restricted for particular purposes, for the fiscal year;
- (d) The expenses or disbursements of this corporation, for both general and restricted purposes, for the fiscal year, and;
- (e) Any transaction during the previous year involving \$50,000.00 or more between this corporation (or its parent or subsidiaries, if any) and any of its Directors or Officers (or the Directors or Officers of its parent or subsidiaries, if any), or any holder of more than 10 percent of the voting power of this corporation or its parent or subsidiaries, if any, and the amount and circumstances of any indemnifications or advances aggregating more than \$10,000.00 paid during the fiscal year to any Director or Officer of this corporation. For each transaction, the report must disclose the names of the interested parties involved in such transaction, stating such person's relationship to this corporation, the nature of such person's interest in the transaction and where practicable, the value of such interest.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of this corporation that such statements were prepared without an audit from the books and records of this corporation.

Section 4. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with the applicable law, The California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

