

BYLAWS
OF
CRISTO REY ORANGE COUNTY HIGH SCHOOL, INC.
a California Nonprofit Public Benefit Corporation

ARTICLE I

OFFICES

Section 1.1 Principal Office. This corporation’s principal office shall be fixed and located at 2204 W. McFadden Avenue, Santa Ana, California. The Board of Directors of this corporation (the “**Board**”) is granted full power and authority to change such principal office from one location to another.

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

ARTICLE II

PURPOSES

Section 2.1 Purposes. The specific and exclusive purposes of this corporation are charitable, meeting the requirements for exemption under Section 501(c)(3) of the Internal Revenue Code of 1986 and Section 23701d of the California Revenue and Taxation Code, namely, for (i) religious, charitable, educational, literary or scientific purposes and (ii) engage in other charitable activities, all in accordance with Section 501(c)(3) of the Internal Revenue Code of 1986 (or any corresponding provision of any future United States Internal Revenue Law), as the board of directors of this corporation shall from time to time determine. More specifically, this corporation is a non-profit organization committed to creating and operating a Catholic, college preparatory school consistent with the Mission Effectiveness Standards of a Cristo Rey Network school in the Orange County area by providing quality college preparatory education to young people from families of limited economic resources with a corporate work study program that enables students to finance the majority of their education and gain valuable experience working in a professional environment. To facilitate the accomplishment of these purposes, this corporation may engage in, sponsor (or co-sponsor) or otherwise be associated with the creation, development, administration, and funding of advertisements and fundraising as deemed appropriate by the Board or officers of the corporation; provided, however, that such advertising and fundraising must comply with the requirements and limitations set forth and described in California Government Code Section 12599.

ARTICLE III

MEMBERSHIP

Section 3.1 No Members. This corporation shall have no members. Any action for which there is no specific provision in the California Nonprofit Public Benefit Corporation Law applicable to a corporation which has no members and which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights that would otherwise vest in the members shall vest in the directors.

Section 3.2 Associates. Nothing in this Article III shall be construed as limiting the right of this corporation 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 Public Benefit Corporation Law. This corporation may confer by amendment of its Articles of Incorporation (the “*Articles*”) or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Public Benefit Corporation Law, upon any person or persons who do not have the right to vote (a) for the election of directors, (b) on a disposition of substantially all of the assets of this corporation, (c) on a merger, (d) on a dissolution, (e) on changes to this corporation’s Articles or Bylaws or (f) for the election of delegates, but no such person shall be a member within the meaning of Section 5056.

ARTICLE IV

DIRECTORS

Section 4.1 Powers of Directors. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to the limitations of the Articles and these Bylaws, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of this corporation to any person or persons or committees however composed, provided that the activities and affairs of this corporation 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 the other officers, agents and employees of this corporation, 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 security for faithful service.

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

(d) To borrow money and incur indebtedness for the purposes of this

corporation, 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.

Section 4.2 Number of Directors. The authorized number of directors shall consist of at least three (3) but no more than twenty-five (25) directors, until changed by amendment to the Articles or these Bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board.

Section 4.3 Qualifications and Nominations. The qualifications for nomination, election and designation as director to the Board shall be as established by the Board. The Executive Committee of the Board shall be responsible for the identification, recruitment and nomination of individuals for Board service.

Section 4.4 Selection And Term Of Office. Any person nominated and qualified to serve as a director pursuant to Section 4.3 may be elected by the Board through a unanimous written consent as provided in Section 5.9 or by a vote of a majority of the directors at a meeting. At the 2024 Annual Meeting of the Board, which took place on August 28, 2024, directors were elected to terms of either one (1) year, two (2) years or three (3) years in order to stagger the terms of the directors. The members of the Board and their classes are identified in the minutes of the corporation. The term for directors elected after August 2024 shall be three (3) years with all terms commencing on the date of election and continuing until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation or removal. No person may serve as a director for more than two terms, but serving on the Board prior to September 2024 does not count toward the two term limit and partial terms of less than three (3) years do not count toward term limits. Additional terms of service are possible after a minimum one-year hiatus.

Section 4.5 Restriction on Interested Directors. Not more than 49% of the persons serving on the Board at any one time may be “interested persons.” An interested person is (i) any person being compensated by this corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as director; and (ii) 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. Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by this corporation.

Section 4.6 Vacancies.

(a) Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any director may resign effective upon giving written notice to the Chairman of the Board (if there be such an officer), the President, the Secretary or 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.

(b) Vacancies in the Board may be filled by a majority of the remaining directors, although less than a quorum, or by a sole remaining director. Each director so elected shall be elected to a class of the directors as indicated in the minutes reflecting such election consistent with Section 4.6(c) below and shall serve until their term expires or until a successor has been selected and qualified as provided in Section 4 of these Bylaws.

(c) A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased. In the event of a change in the number of directors, the Board shall apportion any newly created directorships among, or reduce the number of directorships in, such class or classes of directors as shall equalize, as nearly as possible, the number of directors in each class.

(d) By majority vote, the Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or been convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under Article III of the California Nonprofit Public Benefit Corporation Law.

(e) 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.

ARTICLE V

MEETINGS OF THE BOARD

Section 5.1 Place of Meeting. Meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of this corporation.

Section 5.2 Annual Meetings. The Board shall hold an annual meeting for the purpose of organization, selection of directors (when required by these Bylaws) and officers and the transaction of other business. Annual meetings of the Board shall be held at such date or time as the Board may by resolution fix with proper call and notice.

Section 5.3 Regular Meetings. Regular meetings of the Board shall be held without call or notice on such dates and at such times as may be fixed from time to time by the Board.

Section 5.4 Special Meetings.

(a) Special meetings of the Board for any purpose or purposes may be called at any time by the Chairman of the Board (if there be such an officer), the President, any Vice President, the Secretary, or any two directors. Special meetings of the Board shall be held upon four days' notice by first-class mail or forty-eight (48) hours' notice given personally or by telephone, telecopy, telegraph, telex or other similar means of communication. Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of this corporation or as may have been given to this corporation by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which 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 mails, 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. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 5.5 Quorum. A majority of the authorized number of directors constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 5.10 of these Bylaws. 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, unless a greater number be required by law, by the Articles, or by these Bylaws, 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, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 5.6 Voting. Each director present shall be entitled to one vote on each matter placed before a meeting. At an annual meeting, the directors whose terms are expiring may be reelected, and, until the election of their successors, shall be entitled to vote upon all matters, including the election of their successors.

Section 5.7 Participation In Meetings By Conference Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another.

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Section 5.8 Waiver Of Notice. Notice of a meeting need not be given to any director 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 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 a part of the minutes of the meetings.

Section 5.9 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board. For purposes of this Section 5.9 only, "all members of the Board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 5.10 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors 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, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 5.11 Rights Of Inspection. Each director of this corporation shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of this corporation.

Section 5.12 Committees. The Board may appoint one or more committees, each consisting of two or more directors (and such other persons who are not directors and shall be nonvoting), and delegate to such committees any of the authority of the Board, except with respect to:

- (a) The approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;
- (b) The filling of vacancies on the Board or on any committee;
- (c) The fixing of compensation of the directors for serving on the Board or any committee;
- (d) The amendment or repeal of bylaws or the adoption of new bylaws;
- (e) The amendment or repeal of any resolution of the Board that, by its express terms, is not so amendable or repealable;
- (f) The appointment of other committees of the Board or the members thereof;
- (g) The expenditure of corporate funds to support a nominee for director

after there are more people nominated for director than can be elected; or

(h) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law.

Any such committee must be created, and the members thereof appointed, by resolution adopted by a majority of the authorized number of directors then in office, provided a quorum is present. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The President shall serve as an ex officio member of each Board and Advisory Committee. The Board Chair, with the approval of the Board, shall appoint a chairperson for each committee and may appoint one or more vice chairpersons for each committee from among those directors already serving on the corresponding committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article V applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

Section 5.13 Advisory Committees. The Board may from time to time appoint advisory committees as deemed appropriate, consisting of directors or persons who are not directors, but such advisory committees shall not be deemed committees of the Board and shall not exercise any powers of the Board. Notice of, and procedures for, meetings of advisory committees shall be as prescribed by the chairman of each such advisory committee, and meetings of such advisory committee may be called by the Chairman of the Board (if there be such an officer), the Board, the President or the chairman of the advisory committee. The members of any such committees shall be subject to the provisions of Article III.

Section 5.14 Governance Committee. The Governance Committee shall oversee the compliance of the corporation with applicable laws and regulations, director orientation, assessment of board performance and the review of the corporation's organizational documents.

Section 5.16 Finance Committee. The corporation shall establish a Finance Committee which shall be separate from the Audit Committee. The Finance Committee shall conform to the limitations set forth in California Government Code Section 12586(e)(2). The Finance Committee shall assist the Board in fulfilling its oversight responsibilities with respect to the short- and long-term financial management of the corporation. The Finance Committee oversees the budgeting and financial planning for the corporation, internal controls and risk management.

Section 5.17 Executive Committee. In addition to the duties set forth in Section 4.3 with respect to the nomination of directors, the Executive Committee is authorized to meet and take action between full Board meetings and serves as the primary acting authority of the Board. The Executive Committee shall always include the Board Chair, the President of Corporation, the chairpersons of each Board Committee, a Director representing the Cristo Rey Network and a Director who is member of the Cristo Rey Institute. The Committee acts as a liaison with the Cristo Rey Network to assure maximum benefit from its resources and compliance with its requirements. The composition of the Committee will be expanded or adjusted upon the direction of the Board as needed.

Section 5.18 Facilities Committee. The Facilities Committee oversees the acquisition, refurbishment and maintenance of the corporation's property and facilities and works towards realizing a long-term plan for the school's campus.

Section 5.19 Advancement Committee. The Advancement Committee works closely with the school's development staff to ensure that advancement efforts are productive, effective, and sufficient to cover operating and capital needs.

Section 5.20 Corporate Work Study Committee. This Committee supports the school's work study staff in securing jobs as required for the full employment of student teams. The Committee also plays an important role in cultivating corporate support for the school's mission and jobs program.

Section 5.21 Academic Committee. The Academic Committee shall work with the staff of the school to review the academic policies and programs of the school and their compliance with certification and Cristo Rey Network standards.

Section 5.22 Mission Committee. The Mission Committee is to review the school's policies and programs and insure their consistency with the Catholicity and mission of the school.

Section 5.23 Fees and Compensation. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by the Board.

ARTICLE VI

OFFICERS

Section 6.1 Officers. The officers of this corporation shall be a President, a Secretary and a Treasurer. This corporation may also have, at the discretion of the Board, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Financial Officers, and such other officers as may be elected or appointed in accordance with the provisions of Section 6.3 of these Bylaws. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as President or Chairman of the Board.

Section 6.2 Election. The officers of this corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 6.3 or Section 6.5 of these Bylaws, shall be chosen 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 6.3 Subordinate Officers. The Board may elect, and may empower the President to appoint, such other officers as the business of this corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 6.4 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.

(b) Any officer may resign at any time by giving written notice to this corporation, but without prejudice to the rights, if any, of this corporation 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 6.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled as it occurs in the manner prescribed in these Bylaws for election or appointment to such office.

Section 6.6 Chairman of the Board. The Chairman of the Board (if there be such an officer) shall, if present, preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned by the Board.

Section 6.7 President. The President is the general manager and chief executive officer of this corporation and has, subject to the control of the Board, general supervision, direction and control of the business and officers of this corporation. If the Chairman of the Board (if there be such an officer) is not present, the President shall preside at all meetings of the Board. The President 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 6.8 Vice Presidents. In the absence or disability of the President, and subject to any limitations imposed by the Board, the Vice Presidents, if any, are appointed, in order of their rank as fixed by the Board or, if not ranked, the Vice President designated by the Board, 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 President(s) shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board.

Section 6.9 Secretary. The Secretary shall attend all meetings of the Board and 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 its committees, 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 this corporation'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 these Bylaws or by law to be given, shall keep the seal of this corporation in safe custody and shall also have such other powers and duties as may from time to time be assigned to him or her by the Board or the President.

Section 6.10 Assistant Secretaries. The Board may appoint one or more Assistant Secretaries. Subject to any limitations imposed by the Board, each Assistant Secretary shall have all the powers and duties of the Secretary in the event of the Secretary's absence or disability, and each shall also have such other powers and duties as may from time to time be assigned to him by the Board, the President or the Secretary.

Section 6.11 Treasurer. The Treasurer of this corporation shall keep and maintain, or cause to be kept and maintained, full and accurate accounts of the properties and business transactions of this corporation and shall send or cause to be sent to the Board such financial statements and reports as are by law or these Bylaws required to be sent to them. The Treasurer shall deposit this corporation's funds and other valuables in the name and to the credit of this corporation with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of this corporation as may be ordered by the Board, taking proper vouchers for such disbursements, shall render to the President and the directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of this corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 6.12 Assistant Financial Officer. The Board may appoint one or more Assistant Financial Officers. Subject to any limitations imposed by the Board, each Assistant Financial Officer shall have all the powers and duties of the Treasurer in the event of the Treasurer's absence or disability, and shall also have such other powers and duties as may from time to time be assigned to him by the Board, the President, or the Treasurer.

Section 6.13 Duties May Be Delegated. In case of the absence of any officer of this corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, all or part of the powers or duties of such officer to any other officer or to any director.

Section 6.14 Compensation Of Officers; Periodic Review And Approval Of Compensation Of President And Treasurer. The corporation may, but is not required to, provide for a reasonable compensation for its officers, including benefits. If compensation is provided to the corporation's President or Treasurer, the Board shall review and approve of the terms and conditions of such compensation to ensure that it is reasonable as to the corporation. This review and approval shall occur (i) initially upon the hiring of the officer, (ii) whenever the term of the employment, if any, is renewed or extended, and (iii) whenever the officer's compensation is modified. With respect to (iii), separate review and approval shall not be required if a modification of compensation extends to substantially all employees.

ARTICLE VII

OTHER PROVISIONS

Section 7.1 Amendments. These Bylaws may be amended or repealed by the approval of the Board; subject, however, to satisfying the requirement of super-majority approval stated in Section 5.5(b) of these Bylaws.

Section 7.2 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 this corporation and any other person, when signed by the Chairman of the Board, the President or any Vice President and the Secretary, any Assistant Secretary, the Treasurer or any Assistant Financial Officer of this corporation shall be valid and binding on this corporation 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 this corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 7.3 Representation of Shares of Other Corporations. The President or any other officer or officers authorized by the Board or the President are each authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 7.4 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 7.5 Annual Report. The Board shall cause an annual report to be sent to the directors within 120 days after the end of this corporation's fiscal year. The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of this corporation that such statements were prepared without audit from this corporation's books and records. This requirement of an annual report shall not apply if this corporation receives less than \$25,000 in gross receipts during the fiscal year,

provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors who request it in writing. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of this corporation 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 this corporation, both unrestricted and restricted to particular purposes.
- (d) The expenses or disbursements of this corporation for both general and restricted purposes.
- (e) Any information required by Section 7.6 of these Bylaws.

Section 7.6 Audited Financial Statements. In addition to the requirement of an annual report as described in Section 7.5 of these Bylaws, audited financial statements of the corporation must be prepared using generally accepted accounting principles and must be audited by an independent certified public accountant in conformity with generally accepted auditing standards for any fiscal year in which the corporation has gross revenues at least equal to two million dollars (\$2,000,000) (exclusive of grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of funds received). Such audited financial statements shall be prepared, and be made available for inspection, in accordance with the requirements set forth in Sections 12586(e)(1) and 12586(f) of the California Government Code, and shall otherwise be in accordance with applicable law. Any nonaudit services performed by the firm conducting the audit shall conform to the requirements set forth in Section 12586(e)(1) of the California Government Code.

Section 7.7 Annual Statement of Certain Transactions and Indemnifications. As part of the annual report to all directors pursuant to Section 7.5 hereof, or as a separate document if no annual report is issued, this corporation shall annually prepare and mail or furnish to each director a statement of any transaction or indemnification of the following kind within 120 days after the end of this corporation's fiscal year:

- (a) Any transaction (i) in which this corporation, its parent, or its subsidiary was a party, (ii) in which an "interested person" had a direct or indirect material financial interest and (iii) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving, in aggregate, more than \$50,000. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to this corporation, 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.

For purpose of this Section 7.7(a), an "interested person" is either of the following: (1) Any director or officer of this corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest), or (2) any holder of more

than 10 percent of the voting power of this corporation, its parent, or its subsidiary.

(b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of this corporation under Sections 8.1 to 8.10 of these Bylaws.

Section 7.8 Commercial Fundraisers. If the corporation employs or otherwise uses a professional or commercial fundraiser in any capacity, it must comply with applicable law, including, without limitation, the requirements and restrictions described and set forth in Section 12599 of the California Government Code.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 Definitions. For the purposes of this Article VIII, “agent” means any person who is or was a director, officer, employee, or other agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes, without limitation, attorneys’ fees and any expenses of establishing a right to indemnification under Sections 8.4 or 8.5(b) of these Bylaws.

Section 8.2 Indemnification in Actions by Third Parties. This corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of this corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust), by reason of the fact that such person is or was an agent of this corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of this corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

Section 8.3 Indemnification in Actions by or in the Right of this Corporation. This corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of this corporation, or brought under Section 5233 of the California Nonprofit Public Benefit

Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of this corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 8.3:

(a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to this corporation in the performance of such person's duty to this corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 8.4 Indemnification Against Expenses. To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in Section 8.2 or 8.3 of these Bylaws or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 8.5 Required Determination. Except as provided in Section 8.4 of these Bylaws, any indemnification under this Article VIII shall be made by this corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 8.2 or 8.3 of these Bylaws by:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this corporation.

Section 8.6 Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VIII.

Section 8.7 Other Indemnification. No provision made by this corporation to

indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles, these Bylaws, a resolution of members or directors, an agreement, or otherwise, shall be valid unless consistent with this Article VIII. Nothing contained in this Article VIII shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 8.8 Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article VIII, except as provided in Section 8.4 or 8.5(b) of these Bylaws, in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles, these Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 8.9 Insurance. This corporation shall have the power to purchase and maintain insurance on behalf of any agent of this corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not this corporation would have the power to indemnify the agent against such liability under the provisions of this Article VIII, provided, however, that this corporation shall have no power to purchase and maintain such insurance to indemnify any agent of this corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 8.10 Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article VIII does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of this corporation as defined in Section 8.1 of these Bylaws. This corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.