

Santa Cruz Bridge Education Foundation Bylaws

A California Public Benefit Corporation

ARTICLE I OFFICES & AGENT

SECTION 1. CORPORATE NAME

The name of this corporation is the Santa Cruz Bridge Education Foundation (SCBEF). In this document any of the terms “corporation,” “foundation” or “SCBEF” means the Santa Cruz Bridge Education Foundation.

SECTION 2. PRINCIPAL OFFICE

The principal office for the transactions and affairs of the SCBEF is 2450 17th Avenue, Suite 200, Santa Cruz, CA 95062 in Santa Cruz County, California. The board of directors may change the location the corporation's principal office, provided it remains in Santa Cruz County. Any such change of location must be noted by the secretary in these bylaws or this Section may be amended to state the new location.

SECTION 3. OTHER OFFICES

The board may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

SECTION 4. AGENT

The registered agent of the corporation is Kenneth Llacera, whose current address is 49 Pasatiempo Drive, Santa Cruz, CA 95060 or such other person as the board of directors may from time to time appoint.

SECTION 5. CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

ARTICLE II MISSION & OBJECTIVES

SECTION 1. MISSION

The mission of the SCBEF is to provide the benefits of learning and playing bridge to the people of Santa Cruz County.

SECTION 2. OBJECTIVES

The SCBEF promotes the mental, social and health benefits of learning and playing bridge to people of all ages and skill levels in Santa Cruz. The foundation works to increase knowledge and skill levels, and promotes ethical behavior and proper conduct of those who participate in any aspect of the game through classes, seminars, tutorials, Newcomer games, Bridge School, a Bridge Center, a lending library and the use of technology. The foundation works to provide the continued availability of a physical venue for learning and playing the game. The foundation may provide scholarships or stipends for participation in courses and competitions. The foundation will seek opportunities to cooperate and coordinate with similar efforts by other bridge and educational organizations, including ACBL affiliated enterprises, schools, colleges and universities in neighboring areas.

SECTION 3. PROHIBITED ACTIVITIES

The foundation shall not engage in any activities or exercise any powers that do not further the purposes of the foundation. The foundation shall not conduct any activities not permitted by (a) a corporation exempt from federal income tax under Internal Revenue Code section 501(c)(3) or the corresponding provision of any future United States internal revenue law, or (b) a corporation, contributions to which are deductible under Internal Revenue Code section 170(c)(2) or the corresponding provision of any future United States internal revenue law.

The foundation will not engage in or support in any manner political propaganda or otherwise attempt to influence legislation. The foundation shall not participate in or intervene in (including publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

SECTION 4. CAPITAL STOCK

The foundation will have no capital stock.

SECTION 5. PROHIBITION AGAINST SHARING PROFITS OR ASSETS

No director, officer, employee, or other person connected with this foundation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the foundation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the foundation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these bylaws and is fixed by resolution of the board of directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the foundation assets on dissolution of the foundation. All members, if any, of the foundation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the foundation, whether voluntarily or involuntarily, the assets of the foundation, after all debts have been satisfied, shall be distributed as required by the articles of incorporation and not otherwise.

SECTION 6. DISSOLUTION

Upon the dissolution of the foundation any assets remaining after payment of its liabilities or provision for its liabilities shall be delivered to such organizations as shall then be exempt under Section 501(c)(3) of the Internal Revenue Code or corresponding provisions of later Federal law. No part of the net assets or net earnings of the foundation shall inure to the benefit of its Directors, officers, donors or employees, except for reasonable compensation for services rendered and previously approved by the board of directors according to Article III Section 6.

SECTION 7. NO MEMBERS

The foundation initially does not have members. A Bylaw amendment is required to add members and specify qualifications for membership.

ARTICLE III DIRECTORS

SECTION 1. NUMBER AND TERM

The foundation shall initially have five (5) directors collectively known as the board of directors. The number of directors may be expanded to eleven (11) by the board of directors without amendment of these bylaws. Additional increases in the number of directors requires amendment of these bylaws.

SECTION 2. POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the articles of incorporation and bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this foundation shall be conducted and all foundation powers shall be exercised by or under the direction of the board of directors.

SECTION 3. NOMINATION AND QUALIFICATION

The board of directors will nominate a slate of directors compiled by a nominating committee during October of years evenly divisible by 4, beginning with 2020. For the initial board of directors and at all times, except when there are vacancies, at least two (2) nominees/directors must be current members of the ACBL of Santa Cruz County, Unit 550 (known hereafter as Unit 550) and at least one (1) nominee/director must be a current member of the Board of Directors of Unit 550.

SECTION 4. DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation of this foundation, or by these bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of agents or independent contractors of the foundation;

- (c) Supervise all officers, agents, and independent contractors of the foundation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these bylaws;
- (e) Register their physical address and email address with the secretary of the foundation and notices of meetings mailed or emailed to them at such addresses shall be valid notices thereof.

SECTION 5. TERMS OF OFFICE

Each director shall hold office for four years until the annual meeting for election of the board of directors as specified in these bylaws, and until his or her successor is elected and qualifies.

SECTION 6. COMPENSATION

Directors shall serve without compensation. Directors shall be allowed reimbursement of expenses incurred in the performance of their duties, provided the Board approved expenses in excess of \$100 in advance. Directors may not be compensated for rendering services to the foundation in any capacity unless such compensation is reasonable and allowable under the provisions of Section 7 of this Article. Any payments to directors shall be approved in advance in accordance with this foundation's conflict of interest policy, as set forth in Article VIII.

SECTION 7. RESTRICTION REGARDING INTERESTED PERSONS

None of the persons serving on the board may be an "interested person." An interested person is (a) any person who has received material compensation, defined as more than One Thousand Dollars (\$1,000), from the foundation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding reasonable compensation paid to a director for directing foundation owned bridge games or reasonable compensation paid to an instructor for conducting foundation classes; (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 such person. (section (c) removed)

SECTION 8. PLACE OF MEETINGS

Meetings shall be held at the principal office of the foundation or may be conducted electronically using telephonic, video conferencing technology or other communications equipment, unless otherwise provided by the board or at such place within or without the State of California which has been designated from time to time by majority Board approval at least 48 hours prior to the meeting. In the absence of such designation, any meeting not held at the principal office of the foundation shall be valid only if held on the written consent of a majority of directors given either before or after the meeting and filed with the secretary of the foundation or after all board members have been given written notice of the meeting as hereinafter provided for special meetings of the board.

Participation in a meeting through use of communications equipment constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear or see the communication of all participants.

SECTION 9. ANNUAL AND REGULAR MEETINGS

An annual meeting of the Board of Directors shall be held, unless changed by the Board to another date and time, at the principal office of the corporation on the first Tuesday of each February for the election of directors, if some or all of the directors' terms are ending, to elect the officers for ensuing years, and for such other matters as properly may be brought before the meeting.

The foundation shall hold regular meetings as determined by the Board of Directors.

The agenda for an annual meeting or a regular meetings shall be posted at the Santa Cruz Bridge Center or distributed to members of Unit 550 and to members of the foundation, if any, one week before the meeting is called to order.

SECTION 10. SPECIAL MEETINGS

Special meetings of the board of directors may be called by the president, the vice president, the secretary, or by any three directors, by giving at least 48 hours notice to the entire Board and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

SECTION 11. QUORUM FOR MEETINGS

A quorum shall consist of a majority of directors; except that when a change in the bylaws is being considered a quorum shall be a minimum of $2/3$ of the number of directors then serving on the Board.

Except as otherwise provided in these bylaws or in the articles of incorporation of this corporation, or by law, no business shall be considered by the board at any meeting at which a quorum is not present and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the articles of incorporation or bylaws of this corporation.

SECTION 12. MAJORITY ACTION AS BOARD ACTION

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 is the act of the board of directors, unless the articles of incorporation or bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233), and indemnification of directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the board.

SECTION 13. CONDUCT OF MEETINGS

Meetings of the board of directors shall be presided over by the president of the corporation or, in his or her absence, by the vice president of the corporation or, in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by *Rosenberg's Rules of Order* (on file), or by any set of rules approved by the Board so long as any such rules do not conflict with any provision of these bylaws; and as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with provisions of law.

SECTION 14. WRITTEN CONSENT

When written consent is required by a director, it may be given at a meeting, via a hardcopy document transmitted in regular mail or from the director's valid email address and signed with the full name of the director. When a required notice must be given to a director, it may be given at a meeting, via a hardcopy document transmitted in regular mail or sent to the director's valid email address. In this case, lacking an email system status reply of "not delivered" within 2 hours, the email will be considered delivered.

SECTION 15. ACTION BY UNANIMOUS CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the board of directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action, including consent given from their valid email address. For the purposes of this Section 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. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the board of directors without a meeting and that the bylaws of this corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

SECTION 16. VACANCIES

Vacancies on the board of directors shall exist: (1) on the death, resignation, or removal of any director; (2) whenever the number of authorized directors is increased; and (3) when a foundation director leaves or is removed from the Unit 550 Board of Directors or ceases to be a member of Unit 550 and such a change in the director's status causes the foundation board composition to no longer meet the requirements set forth in Section 3 of this Article. In this specific case (3), the board of directors may replace the director with a person whose addition to the board fulfills Section 3 requirements.

The board of directors 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 order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

If this corporation has any members, then, if the corporation has fewer than fifty (50) members, directors may be removed without cause by a majority of all members, or, if the corporation has fifty (50) or more members, by vote of a majority of the votes represented at a membership meeting at which a quorum is present.

If this corporation has no members, directors may be removed without cause by a majority of the directors then in office.

Any director may resign effective upon giving written notice the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the attorney general.

Vacancies on the board may be filled by approval of the board. If the number of directors remaining in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these bylaws, or (3) a sole remaining director.

If this corporation has members, however, vacancies created by the removal of a director must be filled only by the approval of the members. The members, if any, of this corporation may elect a director at any time to fill any vacancy not filled by the directors.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the board of directors or until his or her death, resignation, or removal from office.

In all cases of filling vacancies, the resulting board must meet the requirements specified in Section 3 of this Article.

SECTION 17. NONLIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 18. INSURANCE FOR CORPORATE AGENTS

The board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

SECTION 19. INDEMNIFICATION FOR CORPORATION AGENTS

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, director, or employee of the corporation

against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the corporation; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified person under this Article shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.

This Article constitutes a contract between the corporation and the indemnified officers, directors, and employees. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer, director, or employee under this Article shall apply to such officer, director, or employee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

ARTICLE IV OFFICERS

SECTION 1. NUMBER OF OFFICERS

The officers of the foundation shall be a president, a secretary, and a treasurer. The corporation may also have, as determined by the board of directors, a chairperson of the board, a chief financial officer, a chief development officer, one or more vice presidents, assistant secretaries, assistant treasurers, and other officers. Any number of offices may be held by the same person except that neither the secretary nor the treasurer may serve as the president or chairperson of the board.

SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

Any director may serve as an officer of this corporation. Officers shall be elected by the board of directors, at any time, and each officer shall hold office until his or her term is completed, he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

SECTION 3. SUBORDINATE OFFICERS

The board of directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the board of directors.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the board of directors, at any duly noticed meeting of the Board. Any officer may resign at any time by giving written notice to the board of directors, to the chair, to the president or to secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

SECTION 6. DUTIES OF PRESIDENT

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of directors, he or she shall preside at all meetings of the board of directors. If applicable, the president shall preside at all meetings of the members, if any. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

SECTION 7. DUTIES OF VICE PRESIDENT

In the absence of the president, or in the event of his or her inability or refusal to act, the vice president 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 on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors.

SECTION 8. DUTIES OF SECRETARY

The secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

Ensure that the minutes of meetings of the corporation, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this corporation. "Contemporaneously" in this context means that the minutes, consents, and supporting documents shall be recorded in the records of this corporation by the later of (1) the next meeting of the board, committee, membership, or other body for which the minutes, consents, or supporting documents are being recorded, or (2) sixty (60) days after the date of the meeting or written consent.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or these bylaws.

Keep at the principal office of the corporation a membership book containing the name and address of each and any member, and, in the case where any membership has been terminated, the secretary shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

SECTION 9. DUTIES OF TREASURER

Subject to the provisions of these bylaws relating to the "Execution of Instruments, Deposits, and Funds," the treasurer shall:

Have charge and custody of, and be responsible for, all funds of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.

Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

SECTION 10. DUTIES OF CHIEF DEVELOPMENT OFFICER

Should the Board select a Chief Development Officer, that position:

Fosters a culture of philanthropy within the organization and the wider community served by the foundation.

Plans, coordinates and assures implementation of strategies to foster and develop donors and contributions to support the foundation's mission and objectives.

Assures development and maintenance of appropriate systems to fund development including but not limited to volunteer and donor management, research and cultivation, gift processing and recognition.

Maintains accountability and compliance standards for donors and funding sources.

SECTION 11. DUTIES OF CHIEF FINANCIAL OFFICER

Should the Board select a Chief Financial Officer, that position:

Provides and maintains a strategic plan for the foundation's investments.

Provides quarterly and annual reports on investment performance.

Makes annual recommendations to the board for changes in the allocation of investment funds.

ARTICLE V COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE

The board of directors may, by a majority vote of directors, designate three (3) or more of its members (who may also be serving as officers of this corporation) to constitute an executive committee of the board and delegate to such committee any of the powers and

authority of the board in the management of the business and affairs of the corporation, except with respect to:

- (a) The approval of any action which, under law or the provisions of these bylaws, requires the approval of the members or of a majority of all of the members.
- (b) The filling of vacancies on the board or on any committee that has the authority of the board.
- (c) The amendment or repeal of bylaws or the adoption of new bylaws.
- (d) The amendment or repeal or any resolution of the board which by its express terms is not so amendable or repealable.
- (e) The appointment of committees of the board or the members thereof.
- (f) The expenditure of corporate funds to support a nominee for director.
- (g) The approval of any transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the board may at any time revoke or modify any or all of the authority delegated to the committee, increase or decrease, but not below three (3), the number of its members, and fill vacancies therein from the members of the board. The committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

In order for any action of this committee to become effective, a minimum of three members of the committee must be present at the meeting during which the action is considered, and the matter must receive a majority vote.

SECTION 2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. Such other committees may consist of persons who are not also members of the board. These additional committees shall act in an advisory capacity only to the board and shall be clearly titled as “advisory” committees.

SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Committees and meetings of Committees shall be as approved by the Board.

ARTICLE VI EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent,

or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer and countersigned by the president of the corporation.

SECTION 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

SECTION 4. DONATIONS AND GIFTS

The board of directors may accept on behalf of the foundation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE VII CORPORATE RECORDS

SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the corporation shall be the physical calendar year, January 1 to December 31.

SECTION 2. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office in the State of California:

- (a) Minutes of all meetings of directors, committees of the board, and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- (c) A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
- (d) A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

SECTION 3. DIRECTORS' INSPECTION RIGHTS

Every director 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 the corporation.

SECTION 4. ANNUAL REPORT

The board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all directors of the corporation and, if this corporation has members, to any member who requests it in writing, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
- (e) Any information required by Section 6 of this Article.

ARTICLE VIII CONFLICT OF INTEREST POLICY

SECTION 1. PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 2. DEFINITIONS

- (a) Interested Person.

Any director, principal officer, member of a committee with board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

- (b) Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. Compensation received by individuals for directing games or conducting classes for Unit 550 is not considered under this definition as a conflict of interest.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph b, a person who has a financial interest may have a conflict of interest only if the board or appropriate committee decides that a conflict of interest exists.

SECTION 3. CONFLICT OF INTEREST AVOIDANCE PRODEDURES

(a) Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The president of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is

in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. RECORDS OF PROCEEDINGS

The minutes of meetings of the board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 5. COMPENSATION APPROVAL POLICIES

A voting member of the board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

(a) The terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.

(b) All members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a “disqualified person” (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):

1. is not the person who is the subject of compensation arrangement, or a family member of such person;
2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
4. has no material financial interest affected by the compensation arrangement; and
5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.

(c) The board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. “Similarly situated” organizations are those of a similar size and purpose and with similar resources
2. the availability of similar services in the geographic area of this organization
3. current compensation surveys compiled by independent firms
4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

(d) The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

1. the terms of the compensation arrangement and the date it was approved

2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
3. the comparability data obtained and relied upon and how the data was obtained
4. the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination
5. the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting
6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).

The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

SECTION 6. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 7. PERIODIC REVIEWS

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

SECTION 8. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE IX AMENDMENT OF BYLAWS

SECTION 1. AMENDMENT

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted as follows:

(a) Subject to the power of members, if any, to change or repeal these bylaws under Section 5150 of the Corporations Code, by approval of the board of directors unless the bylaw amendment would materially and adversely affect the rights of members, if any, as to voting or transfer, provided, however, if this corporation has admitted any members, then a bylaw specifying or changing the fixed number of directors of the corporation, the maximum or minimum number of directors, or changing from a fixed to variable board or vice versa, may not be adopted, amended, or repealed except as provided in subparagraph (b) of this Section; or

(b) By approval of the members, if any, of this corporation.

SECTION 2. CERTAIN AMENDMENTS

The foundation shall not amend its articles of incorporation to alter any statement which appears in the original articles of incorporation, except to correct an error in such statement.

WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS

We, the undersigned, are all of the persons acting as the initial directors of the Santa Cruz Bridge Education Foundation, a California nonprofit corporation, and, pursuant to the authority granted to the directors by these bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing bylaws, consisting of 19 pages, as the bylaws of this foundation.

Dated: _____

David Harken, Director

Richard Wasserstrom, Director

Jacci Sterling, Director

Janie Hanson, Director

Josh Karter, Director

Ken Llacera, Director

Nancy Wainer, Director

Richard Hill, Director

Susan Slinger, Director

VACANT, Director

VACANT, Director

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the bylaws of the corporation named in the title thereto and that such bylaws were duly adopted by the board of directors of said foundation on the date set forth below.

Dated: _____

Jacci Sterling, Secretary