



Cal Maritime Corporation Board Meeting
Conference Call
Tuesday, June 23, 2020

Attendees	T. Cropper, F. Lozano, M. Goodrich, M. Rodgers, L. Bienati, G. Benton, J. Rabi, C. Crutchfield
Absent	
Guest	M. Shay, A. Gumbinger, T. Sevigny

I. Chairman of the Board

- A. Called to order at 2:00pm.
- B. No previous minutes to approve

II. Background & Purpose

- A. Overview of the Cal Maritime Corporation presented by President Cropper, Franz Lozano & Mark Goodrich

III. Appointment of Officers

- A. Franz Lozano Chair
- B. Mark Goodrich Executive Director
- C. Rabi Joseph Chief Financial Officer/Treasurer
- D. Mike Rodger Secretary

IV. Unfinished Business

- A. Review Corporation Bylaws
- B. Review Conflict of Interest Policy
- C. Review of Operating Agreement
- D. Appoint Larry Bienati as Vice Chair of Cal Maritime Corporation

V. Adjournment

- A. Cal Maritime Board Meeting Adjourned at 2:30pm on Tuesday, June 23, 2020

**MINUTES OF THE ORGANIZATIONAL ACTIONS
TAKEN BY THE BOARD OF DIRECTORS
OF
CAL MARITIME CORPORATION
(a California nonprofit public benefit corporation)
BY UNANIMOUS WRITTEN CONSENT**

The Board of Directors of the above-named California corporation (the "Corporation"), duly formed by the filing of said Articles of Incorporation in the office of the California Secretary of State on the 31st day of July, 2019, and desiring to complete the organization of its affairs, in accordance with the powers conferred by Section 5150 of the General Corporation Law took the following actions.

ARTICLES OF INCORPORATION FILED

The original Articles of Incorporation of the Corporation were filed in the office of the California Secretary of State, and are assigned the following filing date and State Corporation filing number.

Official Filing Date: July 31, 2019
Official Filing Number: 4303952

A certified copy of said Articles of Incorporation, showing filings as stated, is inserted in the Book of Minutes of the Corporation and are attached hereto as Exhibit "A".

BYLAWS ADOPTED

Bylaws are adopted:

RESOLVED, that the Bylaws adopted and certified as and for Bylaws of this Corporation be inserted in the Book of Minutes of this Corporation and are attached hereto as Exhibit "B", and that a copy of said Bylaws, similarly certified, be kept at the principal office for the transaction of business of this Corporation, in accordance with Section 213 of the California Corporations Code.

ELECTION OF DIRECTORS

The Bylaws adopted by the Corporation provide that the number of Directors shall be five (5).

The following persons as the first Directors of the Corporation to serve until successors are duly elected pursuant to the Bylaws, or until resignation or removal, as the case may be, and effective upon their acceptance of their position, to exercise the powers of further organization and direction of the Corporation. Each of the newly elected Directors signified acceptance to the appointment.

Director's Name

Thomas A. Cropper

Dr. Graham Benton

Dr. Larry Bienati

Mike Rodgers

Connor Crutchfield

ELECTION OF OFFICERS

RESOLVED, that the following are duly elected to the offices indicated after the names of each until their respective successors are duly elected:

<u>Officer's Name</u>	<u>Office to Which Elected</u>
Franz Lozano	Chair
Larry Bienati	Vice Chair
Mike Rodgers	Secretary
Mark Goodrich	Executive Director
Rabi Joseph	Treasurer/ Chief Financial Officer

Each officer signified acceptance of his office.

COMPENSATION OF OFFICERS

RESOLVED, that no officer of the following offices of the Corporation shall be paid, during the period that he holds office or until further resolution of the Board.

RESOLVED FURTHER, that the Corporation is authorized to reimburse any officer for any out-of-pocket expenses paid on behalf of the Corporation.

AGENT FOR SERVICE OF PROCESS

RESOLVED, that Mark Goodrich is approved and authorized by the Board to be the designated Agent for Service of Process.

CORPORATE SEAL

RESOLVED, that a seal of the Corporation, consisting of two concentric circles with the name of the Corporation in one circle and the words and figures "Incorporated July 31, 2019" and "California" in the form and figures is adopted in the following form:

(SEAL)

ORGANIZATIONAL EXPENSES

In order to provide for the payment of expenses of incorporation and organization of the Corporation, it is:

RESOLVED, that either the Chair or the Treasurer of this Corporation be, and they hereby are, authorized and directed to pay the expenses of incorporation and organization of this Corporation.

RESOLVED FURTHER, that the expenses of the incorporation, organization and maintenance of the Corporation are authorized to be paid from the assets of the Corporation. The Corporation hereby adopts a system of amortizing its organizational expenditures ratably over a period of sixty (60) months, in accordance with section 248 of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations promulgated thereunder.

ACCOUNTING YEAR

RESOLVED, that this Corporation adopt an accounting year as follows:

DATE ACCOUNTING YEAR BEGINS: July 1

DATE ACCOUNTING YEAR ENDS: June 30

provided the Corporation is permitted to use this fiscal year under the Code and the Treasury Regulations promulgated thereunder. The Corporation will be applying for its own Federal Tax Identification Number.

CORPORATE ACCOUNTANT

RESOLVED, that a corporate accountant for the Corporation shall be determined by the Board.

ESTABLISHMENT OF THE CORPORATION'S TAX EXEMPTION

RESOLVED, that the Corporation shall apply for and obtain tax-exemption status under federal law and state law. The officers of the Corporation and any other authorized representatives of the Corporation are hereby authorized and directed to take any and all actions and to execute such documents as may be necessary to apply for tax exempt status. An application shall be made for and on behalf of the Corporation to the IRS. A copy of the application has been presented to the Board.

CONFLICT OF INTEREST POLICY

RESOLVED, that the Board was presented the Conflict of Interest Policy (the "Policy", and attached hereto as Exhibit "C"). The Board has determined that it is in the best interests of the Corporation to approve the Policy, and hereby approved the Policy. The officers of the Corporation are hereby authorized to implement the Policy

PRINCIPAL OFFICE LOCATION

RESOLVED, that 200 Maritime Academy Drive, City of Vallejo, State of California, be, and the same hereby is, designated and fixed as the principal office for the transaction of the business of this Corporation in the County of San Francisco, State of California.

OFFICERS AUTHORIZED TO CONTRACT

To authorize the officers to contract and obligate the Corporation, in the ordinary course of business, the following resolution was, upon motion duly made, seconded and carried, adopted:

RESOLVED, that the following officers of the Corporation, shall execute and deliver any contracts which he or she determines are necessary or appropriate to the Corporation's day-to-day operation of business:

<u>Name of Officer</u>	<u>Office Held</u>
Franz Lozano	Chair
Mark Goodrich	Executive Director
Rabi Joseph	Treasurer

BANK RESOLUTION

To provide for a depository for the funds of the Corporation and to authorize certain officers to deal with the corporate funds, the following resolutions are duly adopted:

RESOLVED, that this Corporation will establish and open in its name one or more deposit accounts with one or more banks (the "Bank") to be determined by the Board, upon such terms and conditions as may be agreed upon by the Bank, and that any officer of this corporation, and any agents duly authorized by them, shall be and hereby are authorized to establish such account or accounts.

RESOLVED FURTHER, that each of the officers identified below, and any agents duly authorized by either of them hereby are authorized to withdraw funds of this Corporation from said account or accounts upon checks of this Corporation signed as provided herein with signatures duly certified to the Bank by the Secretary of this Corporation; and that the Bank is authorized to honor and pay any and all checks so signed, including those drawn to the individual order of any officer or other persons authorized to sign the same.

RESOLVED FURTHER, that until such authority is revoked by sealed notification to said bank of such action by the Board of Directors of this Corporation,

<u>Name of Officer</u>	<u>Office Held</u>
Franz Lozano	Chair
Mark Goodrich	Executive Director
Rabi Joseph	Treasurer

be, and they are, authorized to execute checks and other items for and on behalf of this Corporation.

COVERAGE INSURANCE

RESOLVED, that the officers of this Corporation be, and they are hereby, empowered and directed to secure insurance coverage for this Corporation as deemed appropriate.

STATEMENT OF INFORMATION

RESOLVED, that the Secretary of the Corporation shall file the Statement of Information for a domestic nonprofit corporation required by Corporations Code Section 6210, on the forms provided by the Secretary of the State; and that this statement shall be filed in the office of the Secretary of the State within ninety (90) days after the date on which the Corporation's Articles of Incorporation were filed, and biannually or as

otherwise required after this first filing, as set forth in Corporations Code Section 6210.

After discussion among the Board members, the following resolutions were, upon motion duly made, seconded and unanimously carried:

LICENSES OR PERMITS

RESOLVED, that, pursuant to any applicable federal, state, county, or municipal requirements, the officers of the Corporation shall obtain all licenses or permits necessary or appropriate to the Corporation's transaction of business.

QUALIFICATION TO TRANSACT BUSINESS

RESOLVED, that the officers of the Corporation shall comply with all applicable requirements necessary to qualify the Corporation to transact business within the State of California.

RESOLUTIONS TO BE EFFECTED

RESOLVED, that the officers of the Corporation shall take any actions and shall deliver any documents which they determine are necessary or appropriate to effect the purposes of the resolutions in this record.

IN WITNESS WHEREOF, the undersigned Directors have executed this Written Consent. The Secretary of the Corporation is directed to file this Written Consent with the Minutes of the proceedings of this Board.

Dated: _____, 2020

By: _____
Thomas A. Cropper, Director

By: _____
Dr. Graham Benton, Director

By: _____
Dr. Larry Bienati, Director

By: _____
Mike Rodgers, Director

By: _____
Connor Crutchfield, Director

CERTIFICATE OF SECRETARY

I certify that:

I am the Secretary of CAL MARITIME CORPORATION.

The foregoing record is a true and correct copy of the minutes of the First Organizational Actions of the Board of Directors of CAL MARITIME CORPORATION.

DATED: _____, 2020

Mike Rodgers, Secretary

EXHIBIT A

ARTICLES OF INCORPORATION
(Attached)

4303952

ARTICLES OF INCORPORATION
OF
CAL MARITIME CORPORATION

FILED
Secretary of State
State of California

JUL 31 2019

1cc

TSD

ARTICLE I. Corporate Name/Registered Office

The name of this corporation shall be CAL MARITIME CORPORATION. The principal office for the transaction of the business of this corporation shall be located in the City of Vallejo and County of Solano, State of California.

ARTICLE II. Purpose

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law for public purposes.

This corporation is organized, and at all times hereafter shall be operated in connection with, exclusively for the benefit of, to perform the functions of, or to carry out the mission of California State University Maritime Academy. This corporation is organized exclusively for public purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The specific and primary purposes of this corporation are:

- (a) To develop and increase the facilities of California State University Maritime Academy for broader educational opportunities and service to students, alumni, the community served by the University, and the citizens of the State of California;
- (b) To provide funding for scientific, economic, and other types of research at California State University Maritime Academy;
- (c) To provide funding for the establishment of scholarships and other student assistance programs to California State University Maritime Academy, and other programs essential to the academic mission of California State University Maritime Academy from sources other than those from which the State of California ordinarily makes appropriations to California State University Maritime Academy;
- (d) To further the educational objectives of California State University Maritime Academy, its students and its faculty, and as a part thereof, to furnish to them at reasonable costs books, materials and supplies, food, board, lodging, and housing facilities; and to acquire, own, operate and maintain facilities that may serve to accomplish or assist in such objectives;
- (e) To advance the future development of California State University Maritime Academy

by providing the community with a better understanding of California State University Maritime Academy's teaching, research and public service mission and accomplishments;

- (f) To solicit gifts on behalf of the California State University Maritime Academy by encouraging gifts to California State University Maritime Academy of money, property, works of art, historical papers and documents, museum specimens of educational, artistic or historical value and any other assets of value of any description;
- (g) To receive property by gift, by bequest, by will, or upon trust to the same extent as a natural person, grant, or otherwise acquire and hold all property, real or personal, including stocks, bonds or securities of other corporations; to make gift or trade of such property; to originate and carry on projects, survey and investigations in all matters applicable or related to such purposes;
- (h) To provide advisory counsel and assistance to the President of California State University Maritime Academy; and
- (i) To have and exercise all powers conferred by the laws of the State of California that are incidental to but are necessary for carry out the above purposes.

The foregoing provisions shall be construed as both purposes and powers of this corporation, but no recitation, expression, or declaration of specific or special powers or purposes herein enumerated shall be deemed to be exclusive, but it is hereby expressly declared that all other lawful purposes and powers not inconsistent herewith are hereby included.

ARTICLE III. Initial Agent for Service of Process

The name and address in the State of California of this corporation's initial agent for services of process is:

Mark Goodrich
California State University Maritime Academy
200 Maritime Academy Drive
Vallejo, CA 94590

ARTICLE IV. Exempt Status and Limitation on Activities

This corporation is organized and shall be operated exclusively for public purposes set forth in Article II within the meaning of Internal Revenue Code Section 501(c)(3). No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

ARTICLE V. Dissolution

The property of this corporation is irrevocably dedicated to public purposes set forth in Article II, and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution of this corporation, its net assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, other than trust funds, shall be distributed to one or more nonprofit corporations organized and operated for the benefit of California State University Maritime Academy; such corporation or corporations to be selected by the Board of Trustees of this corporation and approved by the President of the California State University Maritime Academy and the Chancellor of the California State University. Such nonprofit corporation or corporations must be qualified for Federal income tax exemptions under Section 501 (c)(3) of the Internal Revenue Code and be organized and operated exclusively for charitable, educational and/or religious purposes, or for a combination of said purposes. In the alternative, upon dissolution of this corporation, its net assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, other than trust funds, shall be distributed to California State University Maritime Academy or any successor approved by the President of the California State University Maritime Academy and the Chancellor of the California State University.

ARTICLE VI. Conformity with Law


This corporation shall be an auxiliary organization of California State University Maritime Academy, and shall conduct its operations in conformity with the California statutes governing such organizations (Chapter 7, commencing with Section 89900, of Part 55, Division 8, Title 3 of the Education Code) and the Regulations adopted by the Board of Trustees of California State University (Subchapter 6, commencing with Section 42400, of Chapter 1, Division 5 of Title 5 of the California Code of Regulations) as required by the Education Code, Section 89900 (c).

ARTICLE VII. Amendments

These Articles of Incorporation may be amended in the manner authorized by law and the bylaws of this corporation at the time of amendment.

ARTICLE VIII. Address

The initial street address of this corporation is: 200 Maritime Academy Drive, Vallejo, CA 94590. The initial mailing address of this corporation is: 200 Maritime Academy Drive, Vallejo, CA 94590.



Leonor Y. Dicedican, Incorporator
Dated: July 29, 2019



I hereby certify that the foregoing transcript of 3 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

AUG 09 2019

Date: _____

Alex Padilla
ALEX PADILLA, Secretary of State

JRM

EXHIBIT B

BYLAWS
(attached)

**BYLAWS
OF
CAL MARITIME CORPORATION
a California Nonprofit Public Benefit Corporation**

**ARTICLE I
PURPOSES**

Cal Maritime Corporation, a California Nonprofit Public Benefit Corporation (this "**Corporation**") shall have such purposes as are now or may hereafter be set forth in its Articles of Incorporation (the "**Articles**").

**ARTICLE II
POWERS**

This Corporation shall have such powers as are now or may hereafter be granted by laws governing auxiliary organizations of the California State University under the California Education Code (the "**Education Code**") and by the Nonprofit Corporation Law of the State of California under the California Corporations Code ("**Corporations Code**"), except as limited by the provisions of its Articles or these Bylaws.

**ARTICLE III
OFFICES**

The principal executive office of this Corporation shall be located at 200 Maritime Academy Drive, City of Vallejo, State of California for the transaction of this Corporation's business, and may have such other offices as the Board of Directors may from time to time determine. Any such change shall be noted on these Bylaws by the Secretary, opposite this Section, or this Section may be amended to state the new location.

**ARTICLE IV
MEMBERSHIP**

Section 4.1 **Statutory Members.** This Corporation shall have no members within the meaning of Section 5056 of the Corporations Code other than the persons constituting its Board of Directors. The Board of Directors shall, under any statute or rule of law, be the members of this corporation and shall have all the rights and powers members would otherwise have.

Section 4.2 **Nonvoting Members.** This Corporation shall not have any nonvoting members, but the Board of Directors, may, by resolution, establish one or more classes of nonvoting members and provide for eligibility requirements for membership and rights and duties of members.

Section 4.3 **Effect of No Members.** Any action that would otherwise require approval by a majority of all members or approval by the members requires only approval of the Board of Directors.

ARTICLE V BOARD OF DIRECTORS

Section 5.1 **Definition of Terms.** For the purpose of these Bylaws, “**Board of Directors**” or “**Board**” refers to the Board of Directors of this Corporation, unless otherwise specifically indicated. “**University**” refers to the California State University Maritime Academy.

Section 5.2 **General Powers.** Subject to the provisions of the California Nonprofit Corporation Law, the activities and affairs of this Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. All the business and affairs of this Corporation shall be managed and controlled by the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of this Corporation to a management company, committee (however composed), or other person, 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 of Directors.

Section 5.3 **Number of Directors.** The authorized number of directors of this corporation shall be at least three (3) but no more than five (5) until changed by an amendment to these Bylaws. By resolution, the exact number of directors shall be fixed from time to time, within the limits specified in this **Section 5.3**, by the Board of Directors.

Section 5.4 **Selection and Tenure.** In accordance with Section 89903 of the Education Code, the directors shall be drawn from the faculty and administrative staff of the University, from the general population residing in the region served by the University and from the student body and the alumni of the University. The distribution of the membership of the Board of Directors shall be determined by the Board of Directors; the Board of Directors shall endeavor to select directors to represent the different sectors described above. The Board of Directors shall consist of the following:

(a) **Administrative Directors.** The Administrative Directors shall consist of the President of the University or her/his designee, and a Vice President of the University or his/her designee for a one (1) year term. In the event that an Administrative Director ceases to hold the administrative office described above, the duly appointed, qualified and acting successor of such individual shall become a director of this corporation in the place and stead of their predecessor. An appointee selected to fill a vacancy thus created will serve the unexpired term of office.

(b) **Academic Administrator Director.** One (1) director shall be an academic administrator appointed by the President of the University for a one (1) year term. The academic administrator director shall not continue if he/she is no longer employed by the University. The President of the University shall appoint his/her replacement. An appointee selected to fill a vacancy thus created will serve the unexpired term of office.

(c) **Faculty Director.** One (1) director shall be a member of the faculty of the University appointed by President of the University for a one (1) year term. The faculty director

shall not continue if he/she is no longer employed by the University. The President of the University shall appoint his/her replacement. An appointee selected to fill a vacancy thus created will serve the unexpired term of office.

(d) **Student Director.** One (1) director shall be a student of the University appointed by President of the University for a one (1) year term. An appointed student director shall not continue if he/she is no longer enrolled with the University or is on either academic or disciplinary probation. The President of the University shall appoint his/her replacement. An appointee selected to fill a vacancy thus created will serve the unexpired term of office.

(e) **Elected Directors.** The Board of Directors shall elect a community director who shall be a resident from the general population served by the University, nominated by the President of the University and elected by the Board of Directors for a one (1) year term. The rest of the directors shall be elected by the Board of Directors, and shall be chosen from University administrative officials, academic administrators, faculty, students and alumni and other members of the local community. An elected student director shall not continue if he/she is no longer enrolled with the University, or is on either academic or disciplinary probation. Appointees selected to fill vacancies thus created will serve the unexpired terms of office. Elected directors shall serve staggered terms not to exceed three (3) years or fill the remaining term of a vacated term or seat.

(f) **General Provisions.** The directors shall be elected at each annual meeting of the Board of Directors, but, if any such annual meeting is not held or the directors are not elected at the meeting, the directors may be elected at any meeting of the Board. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified. A director may succeed himself or herself in office. A director may be appointed or elected for subsequent terms. There shall be no term limits.

Section 5.5 **Vacancies, Resignation and Removal.**

(a) A vacancy in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director; (ii) the declaration by the Board of Directors of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty under Sections 5230-38 of the Corporations Code dealing with standards of conduct for a director, or has missed a significant number of Board meetings within a 12 month period, as determined in the sole discretion of the Board of Directors; (iii) an increase in the authorized number of directors; or (iv) the failure of the directors, at any annual or other meeting of directors at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

(b) Any vacancy occurring on the Board of Directors of this corporation shall be filled in accordance with **Section 5.4** above, and as follows: (i) vacancies in the Board of Directors may be filled by a majority of the directors present at a meeting at which a quorum is

present, or if the number of directors then in office is less than a quorum, (a) by the unanimous written consent of the directors then in office, (b) by the vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice in compliance with these Bylaws, or (c) by a sole remaining director. Each director so elected shall hold office until his or her successor is elected at an annual or other meeting of the Board.

Section 5.6 **Resignation and Removal**

(a) Any director may resign from the Board at any time effective upon giving written notice to the Chair of the Board (if there is such an officer appointed), the President, the Secretary, or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of the resignation. The acceptance of such resignation shall not be necessary to make it effective. If the resignation is effective at a future time, the successor may be elected to take office when the resignation becomes effective. Unless the California Attorney General is first notified, no director may resign when this Corporation would then be left without a duly elected director or directors in charge of its affairs.

(b) The Board of Directors, by affirmative vote of a majority of the directors then in office, may remove any director without cause at any regular or special meeting; provided that the director to be removed has been notified in writing that such action would be considered at the meeting.

(c) No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

Section 5.7 **Compensation of Directors.** No director shall receive any salary or other similar compensation for any services as a director; however, the Board of Directors may authorize the reimbursement of actual and necessary expenses incurred by individual directors performing duties as directors by resolution of the Board of Directors.

Section 5.8 **Inspection by Directors.** Each director shall have the right to inspect the books and records of the Corporation as set forth in **Article X** hereof.

Section 5.9 **Restriction on Interested Persons as Directors.** At all times, no more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person 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 (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. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by this Corporation.

Section 5.10 **Conflict of Interest.**

(a) No member of the Board of Directors shall be financially interested in any contract or other transaction entered into by the Board of Directors that is not in accordance with the conflict of interest provisions set forth in Sections 88906, et. seq. of the Education Code. The following circumstances are specifically not permissible, and any contract or transaction described is void:

(i) Any contract or transaction, other than employment contract, directly between this Corporation and a director;

(ii) Any contract or transaction between this Corporation and a partnership or unincorporated association in which a director is a partner, or owner, or holder, directly or indirectly, of a proprietary interest;

(iii) Any contract or transaction between this Corporation and a corporation in which a director is the owner or holder, directly or indirectly, of five percent (5%) or more of the outstanding common stock; or

(iv) A member of the Board of Directors is interested in the contract or transaction within the meaning of Education Code Section 89906, and without first disclosing such interest to the Board of Directors at a public meeting of the Board of Directors, influences or attempts to influence another member or members of the Board of Directors to enter into the contract or transaction;

(b) No contract or other transaction entered into by the Board of Directors of this Corporation is void under the provisions of Section 89906 of the Education Code, nor shall any member of the board be disqualified or deemed guilty of misconduct in office under said provisions, if the following circumstances are satisfied:

(i) The fact of such financial interest is disclosed or known to the Board of Directors and noted in the minutes, and the board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested member or members, and

(ii) The contract or transaction is just and reasonable as to the Corporation at the time it is authorized or approved.

ARTICLE VI MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 Public Meetings.

(a) Pursuant to Education Code Section 89920, all Board of Directors meetings shall be open and public, and all persons shall be permitted to attend any meeting of the Board, except as otherwise provided herein.

(b) Pursuant to Education Code Section 89923, the Board of Directors may hold closed sessions to consider matters relating to litigation, collective bargaining, or the appointment, employment, evaluation of performance, or dismissal of an employee, or to hear complaints or charges brought against an employee by another person or employee, unless the employee requests a public hearing. For the purposes of this Section, an "employee" does not include any person elected or appointed to an office. The Board, upon a favorable majority vote of its members, may also hold a closed session to discuss investments where a public discussion could have a negative impact on the Corporation's financial situation. In this case, a final decision shall only be made during public sessions.

Section 6.2 Place of Meeting. Regular and special meetings of the Board of Directors may be held at the principal office of this Corporation or at any place within or outside the State of California that has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the Corporation. Notwithstanding, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.

Section 6.3 Annual Meeting. Annual meetings of the Board of Directors shall be held in November of each year unless the Board fixes another date. Such meeting shall be held at the principal office of this corporation or at such other time and place as the Board of Directors may from time to time designate. Such meeting shall be for the purpose of electing Directors, appointing officers of this Corporation, filling vacancies on the Board of Directors caused by the expiration of terms of directors, and for the transaction of such other business as may come before the meeting.

Section 6.4 Regular Meetings. Other regular meetings of the Board of Directors shall be held at such times as are fixed by the Board of Directors.

Section 6.5 Special Meetings. Special meetings of the Board of Directors may be called at any time by the President of the University, by or at the direction of the Chair, any Vice-President, the Secretary, or by a majority of the directors then in office, to be held on such date and at such time and place as shall be designated in the notice of meeting.

Section 6.6 Notice of Meeting and Waiver.

(a) Pursuant to Education Code Section 88921, the Board of Directors shall, at least seven (7) days prior to the date set for a meeting, give written notice of every regular meeting, and any special meeting which is called, at least seven (7) days prior to the date set for the meeting, to any individual or medium that has filed a written request for notice. Any request for notice filed pursuant to the Education Code Section 88921 shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed.

(b) Pursuant to Education Code Section 88922, notice of a special meeting shall be made by delivering personally or by mail written notice to each member of the Board, and to any medium or other party to be directly affected by a meeting, or any other person who

has requested notice in writing. The call and notice of a special meeting shall be delivered at least 24 hours prior to any meeting and shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at these meetings by the Board. Written notice may be dispensed with as to any member who, at or prior to the time the meeting convenes, files with the secretary of the Board of Directors a written waiver of notice. The waiver may be given by telegram. Written notice may also be dispensed with as to any Board member who is actually present at the meeting at the time it convenes.

Section 6.7 Action at a Meeting: Quorum and Required Vote.

(a) Presence of a majority of the authorized number of directors at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws.

(b) Every act done or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by the Articles, these Bylaws, or the California Nonprofit Corporation Law.

(c) 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, subject to any applicable requirements for approval by a greater number or a disinterested majority.

(d) Members of the Board of Directors may participate in a meeting through use of conference telephone, electronic video screen communication or electronic transmission by and to the corporation as defined in Sections 20 and 21 of the California Corporations Code, subject to any consent requirements of Section 20(b) thereof. Participation in a meeting through use of conference telephone or electronic video screen communication pursuant to this **Section 6.7(d)** constitutes presence in person at such meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic transmission by and to the corporation (other than by conference telephone and electronic video screen communication) pursuant to this subsection (d) constitutes presence in person at such meeting, if (i) each director participating in the meeting can communicate with all of the other members concurrently, and (ii) each director is provided the means of participating in all matters before the Board of Directors, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

Section 6.8 Adjourned Meetings. A quorum of the directors may adjourn any directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed by the next regular meeting of the Board of Directors. Notice of the time or place or purpose of holding an adjourned meeting need not be given to any absent director if the time and place is fixed at the meeting adjourned. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another

Section 7.8 Duties of the Secretary and Assistant Secretaries.

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

(b) The Secretary shall give, or cause to be given, notice of all the meetings of the Board of Directors and of the committees of this Corporation required by these Bylaws or by law to be given, shall keep the seal of the corporation (if any) in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

(c) The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

Section 7.9 Duties of the Treasurer/Chief Financial Officer.

(a) The Chief Financial Officer of this corporation, as designated by the Executive Director, shall be the Treasurer/Chief Financial Officer. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

(b) The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. The Chief Financial Officer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all of the Chief Financial Officer's transactions as Chief Financial Officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

(c) If required by the Board of Directors, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the Chief Financial Officer's office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the Chief Financial Officer's possession or under the Chief Financial Officer's control on the Chief Financial Officer's death, resignation, retirement, or removal from office.

(d) The President may direct any Assistant Treasurer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Assistant Treasurer shall perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(e) In the absence or inability of the Secretary to perform his or her duties, the Treasurer/Chief Financial Officer is authorized to act in the place of the Secretary. Actions taken by the Treasurer/Chief Financial Officer on behalf of the Secretary will be reported in writing to the Chair, Vice Chair and Secretary in a timely manner.

ARTICLE VIII COMMITTEES

Section 8.1 **Committees.** The Board may appoint one or more committees, each consisting of two (2) or more directors, and delegate to such committees any of the authority of the Board except with respect to:

- (a) The filling of vacancies on the Board or on any committee;
- (b) The fixing of compensation of the Directors for serving on the Board or on any committee;
- (c) The amendment or repeal of Bylaws or the adoption of any new Bylaws;
- (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) The appointment of other committees of the Board or the members thereof; or
- (f) The approvals 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 directors then in office, provided a quorum is present. Any such committee may be designated an Executive Committee or by such other name as the Board shall specify. 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 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. Minutes shall be kept of each meeting of each committee.

Section 8.2 **Committee Procedures.** The Board of Directors may prescribe appropriate rules, not inconsistent with the Bylaws, by which proceedings of any committee shall be conducted.

Section 8.3 **Executive Committee: Composition.** The Executive Committee shall be composed of the officers of this Corporation, and two (2) additional Directors elected by the Board of Directors at its annual meeting.

Section 8.4 **Executive Committee: Duties and Powers.** The Executive Committee shall:

(a) Exercise the powers of the Board of Directors when necessary between meetings of the Board.

(b) Undertake long-range planning for this Corporation.

(c) Prepare a slate of nominees to all committees for the approval of the Board.

(d) Recommend candidates for consideration by the President of the University, when vacancies among the members on the Board of Directors occur.

(e) Periodically review these Bylaws and the structure of this corporation and recommend appropriate changes to the Board of Directors.

(f) Oversee the ongoing operations of this corporation.

Section 8.5. **Executive Committee: Meetings.** Meetings of the Executive Committee shall be held on such date and at such time and place as the Chair of the Board of Directors or any other two (2) members of the Executive Committee may determine. All meetings of the Executive Committee shall be conducted in accordance with the provisions of Section 89920, et seq. of the Education Code.

ARTICLE IX INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AGENTS

Section 9.1 Right of Indemnification; Purchase of Liability Insurance.

(a) For the purposes of this **Article IX**, “agent” means any person who is or was a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the 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 that was a predecessor corporation of the corporation or of another enterprise at the request of the 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 **Section 9.1(d) or Section 9.1(e)(ii)**.

(b) The 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 the Corporation to procure a judgment in its favor, an action brought under Corporations Code Section 5233, 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 the person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with the proceeding if the person acted in good faith and in a manner the person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the 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 the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

(c) The Corporation shall have 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 the Corporation, or brought under Corporations Code Section 5233, 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 the person is or was an agent of the Corporation, against expenses actually and reasonably incurred by the person in connection with the defense or settlement of the action if the person acted in good faith, in a manner the person believed to be in the best interests of the 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 9.1(c)**:

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

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

(iii) 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.

(d) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in **Section 9.1(b) or (c)** 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.

(e) Except as provided in **Section 9.1(d)**, any indemnification under this section shall be made by the 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 9.1(b) or (c)**, by:

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

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

(f) Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the agent to repay the amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this **Article IX**.

(g) No provision made by a corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of the directors, an agreement or otherwise, shall be valid unless consistent with this section. Nothing contained in this section shall affect any right to indemnification to which persons other than the directors and officers may be entitled by contract or otherwise.

(h) No indemnification or advance shall be made under this **Article IX**, except as provided in **Section 9.1(d)** or **Section 9.1(e)(ii)**, in any circumstance where it appears:

(i) That it would be inconsistent with a provision of the Articles, Bylaws, a resolution of the directors 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

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

(i) The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the 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 the Corporation would have the power to indemnify the agent against that liability under the provisions of this section; provided, however, that the Corporation shall have no power to purchase and maintain that insurance to indemnify any agent of the Corporation for a violation of Corporations Code Section 5233.

(j) This **Article IX** does not apply to any proceeding against any trustee, investment manager, or other fiduciary of a pension, deferred compensation, saving, thrift, or other retirement, incentive, or benefit plan, trust, or provision for any or all of the Corporation's directors, officers, employees, and persons providing services to the corporation or any of its subsidiary or related or affiliated corporations, in that person's capacity as such, even though the person may also be an agent as defined in **Section 9.1(a)** of the employer corporation. A

corporation shall have power to indemnify the trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Corporations Code Section 5140.

ARTICLE X MAINTENANCE AND INSPECTION OF CORPORATE RECORDS

Section 10.1 Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in California, the original or a copy of its Articles and Bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours. If the principal executive office of the Corporation is outside the State of California and the corporation has no principal business office in California, the Secretary shall, on the written request of any director, furnish to that director a copy of the Articles and Bylaws as amended to date.

Section 10.2 Maintenance and Inspection of Other Corporate Records. The accounting books, records, and minutes of proceedings of the Board of Directors and any committees of the corporation shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form.

Section 10.3 Right of Inspection. Each director shall have the right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of this corporation for a purpose reasonably related to such person's interest as a director, provided that such director shall not have the right to inspect those books, records or documents made privileged or confidential by law. This inspection must be made by the director in person, provided that the director may be accompanied by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents. Nothing in this section shall affect the right of the Board of Directors to conduct the business of this corporation as set forth in these Bylaws.

ARTICLE X ANNUAL REPORTS AND AUDITS

Section 10.1 Annual Report to Directors.

(a) The Corporation shall provide to the directors no later than 120 days after the close of its fiscal year, a report containing 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 6322 of the Corporations Code.

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

Section 10.2 Audited Financial Statements. If the Corporation (i) is required to file reports with the California Attorney General pursuant to Section 12586 of the California Government Code and (ii) receives or accrues in any fiscal year gross revenue of Two Million Dollars (\$2,000,000) or more (or such other amount then designated by Section 12586), exclusive of grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received, the corporation shall do the following:

(a) Prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant in conformity with generally accepted auditing standards. For any nonaudit services performed by the firm conducting the audit, the firm and its individual auditors shall adhere to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States (the "**Yellow Book**") and any standards prescribed by the California Attorney General for auditor independence in the performance of nonaudit services, including standards different from those set forth in the Yellow Book. If the Corporation is under the control of another organization, the controlling organization may prepare a consolidated financial statement. The audited financial statements shall be available for inspection by the California Attorney General and by members of the public no later than nine (9) months after the close of the fiscal year to which the statements relate. If the corporation is then a charity, it shall make its annual audited financial statements available to the public in the same manner that is prescribed for IRS Form 990 by the latest revision of Section 6104(d) of the Internal Revenue Code and associated regulations.

(b) If the Corporation is required to file reports with the California Attorney General pursuant to Section 12586 of the California Government Code and, independent of the audit requirement set forth in Section 12586(e)(1) of the California Government Code, it prepares financial statements that are audited by a certified public accountant, the audited financial statements shall be available for inspection by the California Attorney General and shall be made available to members of the public in conformity with Section 12586(e)(1) of the California Government Code.

ARTICLE XI STANDARD OF CARE

A director shall perform the duties of a director, including duties as a member of any Board committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) one or more officers or employees of the corporation whom the director believes to be reliable and competent as to the matters presented;

(b) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(c) a Board committee upon which the director does not serve, as to matters within its designated authority, provided that the director believes such committee merits confidence; so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in **Article 12** below, a person who performs the duties of a director in accordance with this **Article 11** shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

ARTICLE XII CONTRACTS, LOANS, CHECKS, DEPOSITS, GIFTS AND PROHIBITED TRANSACTIONS

Section 12.1 Contracts. The Board of Directors may authorize any officer or agent of this Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of this Corporation, and such authority may be general or confined to specific instances.

Section 12.2 Loans. Except as permitted by Section 5236 of the California Corporations Code, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that

advance. The above provisions do not apply to a loan of money to or for the benefit of an officer in circumstances where the loan is necessary, in the judgment of the Board, to provide financing for the purchase of the principal residence of the officer in order to secure the services or continued services of the officer and the loan is secured by the real property purchased with the loan.

Section 12.3. **Borrowing.** No loan shall be contracted on behalf of this Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

Section 12.4 **Checks, Drafts, Etc.** All checks, drafts or other orders for payment of money, and all notes or other evidence of indebtedness issued in the name of this corporation shall be signed by such officer or officers, agent or agents of this Corporation and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 12.5. **Deposits.** All funds of this corporation shall be deposited from time to time to the credit of this Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 12.6. **Gifts.** The Board of Directors may at their discretion accept on behalf of this Corporation any contribution, gift, bequest or devise for the general purposes or for any specific purpose of this Corporation.

Section 12.7 **Self-Dealing Transactions.** Except as provided in **Section 12.8**, below, the Board of Directors shall not approve or permit the Corporation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which this Corporation is a party and in which one or more of its directors has a material financial interest, unless the transaction is described in California Corporations Code Section 5233(b).

Section 12.8 **Approval.** This Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This Corporation also may engage in a self-dealing transaction if the Board determines, before the transaction, that (1) this Corporation is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to this corporation at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the director or directors in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

ARTICLE XIII MISCELLANEOUS

Section 13.1. **Fiscal Year.** The fiscal year of this corporation shall begin on the first day of July and end on the last day of June in each year unless otherwise determined by resolution of the Board of Directors.

Section 13.2. **Rules.** The Board of Directors may adopt, amend or repeal rules not inconsistent with these Bylaws for the management of the internal affairs of this corporation and the governance of its officers, agents, committees and employees.

Section 13.3. **Books and Records.** This Corporation shall keep correct and complete books and records of account and minutes of the proceedings of the Board of Directors and committees. Copies of the minutes of the Board of Directors and of the committees shall be regularly distributed to each member of the Board of Directors.

Section 13.4. **Corporate Seal.** The Board of Directors may provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of this corporation and the date of its incorporation."

Section 13.5. **Waiver of Notice.** Whenever any notices are required to be given under the provisions of the Nonprofit Corporation Law of the State of California, or under the provisions of the Articles of this corporation, or these Bylaws, a waiver thereof in writing signed by the persons entitled to such notice, whether dated before or after the time stated herein, to the extent permitted by law, shall be deemed equivalent to the giving of such notice.

Section 13.6 **Construction and Definitions.** Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

ARTICLE IVX AMENDMENT TO BYLAWS

These Bylaws may be amended at any regular meeting of the Board of Directors by a majority vote of the total membership of the Board of Directors, provided that the amendment has been submitted in writing at the previous regular meeting, or has been submitted in writing to the directors at least thirty (30) days before such regular meeting.

SECRETARY'S CERTIFICATE

I certify that I am the duly elected and acting Secretary of CAL MARITIME CORPORATION, a California nonprofit public benefit corporation, that the above Bylaws, consisting of twenty (20) pages (including this page), are the Bylaws of this Corporation as adopted by the Board on _____, 2020, and that they have not been amended or modified since that date.

Executed on _____, 2020 at Vallejo, California.

By: _____
Mike Rodgers, Secretary

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EXHIBIT C

CONFLICT OF INTEREST POLICY
(attached)

Conflict of Interest Policy

- A. Members of the Board of Directors of the Cal Maritime Corporation are subject to the following conflict of interest provisions of the California Education Code:

§89906 FINANCIAL INTEREST PROHIBITED. No member of the governing board of an auxiliary organization shall be financially interested in any contract or other transaction entered into by the board of which he/she is a member, and any contract or transaction entered into in violation of this section is void.

§89907 EXCEPTION. No contract or other transaction entered into by the governing board of an auxiliary organization is void under the provisions of §89906, nor shall any member of such board be disqualified or deemed guilty of misconduct in office under said provisions, if the circumstances specified in the following subdivisions exist:

- a. The fact of such financial interest is disclosed or known to the governing board and noted in the Minutes, and the governing board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested member or members, and
- b. The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.

§89908 CERTAIN PROVISIONS NOT APPLICABLE. The provisions of §89907 shall not be applicable if the circumstances specified in any of the following subdivisions exist:

- a. The contract or transaction is between an auxiliary organization and a member of the governing board of that auxiliary organization.
- b. The contract or transaction is between an auxiliary organization and a partnership or unincorporated association of which any member of the governing board of that auxiliary organization is a partner or in which he is the owner or holder, directly or indirectly, of a proprietorship interest.
- c. The contract or transaction is between an auxiliary organization and a corporation in which any member of the governing board of that auxiliary organization is the owner or holder, directly or indirectly, of five (5) percent or more of the outstanding common stock.
- d. A member of the governing board of an auxiliary organization is interested in a contract or transaction within the meaning of §89906, and without first disclosing such interest to the governing board at a public meeting of the board, influences or attempts to influence another member or members of the board to enter into the contract or transaction.

§89909 UNLAWFUL TO UTILIZE NONPUBLIC INFORMATION FOR PERSONAL PECUNIARY GAIN. It is unlawful for any person to utilize any information, not a matter of public record, which is received by him/her by reason of his/her membership of the governing board of an auxiliary organization, for personal pecuniary gain, regardless of whether he/she is or is not a member of the governing board at the time such gain is realized.

Each member of the Board of Directors shall on annual basis review prior year transactions and relationships and acknowledge in writing compliance with the above statutory provisions.

Procedure:

- A. Members of the Board of Directors shall consult with the President regarding transactions or relationships that may constitute a Conflict of Interest. If a Conflict of Interest is deemed to exist pursuant to such initial consultation, it shall first be reported to the Cal Maritime Counsel to devise and recommend to the Board and proposed resolution of, or course of action with respect to, the Conflict of Interest.
- B. If a Conflict of Interest is deemed by the President and corporation counsel to exist, the matter shall be placed on the regular meeting agenda for appropriate action by the Board of Directors. The Board shall discuss the matter in open session, allowing the Director whose conduct is at issue to provide an explanation. The Board shall then by majority vote (not including the vote of any Director whose conduct is at issue) take action regarding the matter. Such action may include, but is not limited to, validation of the transaction pursuant to §89907, if available, validation of the transaction with conditions, censure or removal of the Director, rescission of the transaction, or any other action deemed appropriate by the Board.
- C. If a transaction is proposed that may constitute a Conflict of Interest, the President and corporate counsel shall determine whether the proposed transaction represents a conflict that would violate §89906 and, if so, whether to present the proposed transaction to the Board for possible approval in accordance with §89907, if available, or whether the proposed transaction should not be pursued.
- D. Members of the Board of Directors shall recuse themselves from the vote on any matter that involves an actual or potential Conflict of Interest involving that Director.
- E. Any allegation or evidence of violation of this Conflict of Interest policy by a Director shall be reported to the University President. The Cal Maritime Corporation President and corporate counsel shall discuss the matter with the Director to obtain additional facts and perspective. If a Conflict of Interest relationship is deemed to exist, it shall be reported to the corporate counsel to devise and recommend to the Board a proposed

resolution of, or course of action with respect to, the Conflict of Interest.

- F. Officers, Directors or employees may report any allegation or evidence of violation of this Conflict of Interest policy, or irregularities in accounting or financial matters, to the President or the corporate counsel. The President, in consultation with the corporate counsel, shall then take proper action to investigate the matter and recommend a response to the allegations. Employees who report suspected Conflicts of Interest or financial or accounting irregularities shall be protected from any retaliation as a result of the report.



Cal Maritime Corporation

CONFLICT OF INTEREST

Members of the Board are asked to acknowledge that they are not involved in any of the following conflict of interest relationships.

As a member of the Cal Maritime Corporation's Board, you will be subject to the conflict of interest provisions applicable to the Corporation that are found in the California Education Code.

There are four relationships between Corporation Directors and the Corporation that are specifically deemed not permissible:

- a) Any contract, other than an employment contract, directly between the Corporation and a Corporation Director.
- b) Any contract between the Corporation and a partnership or unincorporated association in which a Corporation Director is a partner, or owner, or holder, directly or indirectly, of a proprietorship interest.
- c) Any contract between the Corporation and a for-profit corporation in which a Corporation Director is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.
- d) Any contract in which a Corporation Director is interested, and without first disclosing such interest to the Board at a public meeting, influences or attempts to influence one or more Directors to enter into the contract.

I acknowledge that I am not now involved in any of the conflict of interest relationships described above. I agree to disclose to the Corporation's President any conflict of interest relationship that may occur during the **2020-2021 fiscal year**.

Date: _____

Signature: _____

Print Name: _____

