

**RESTATED BYLAWS
OF
THE UNIVERSITY FOUNDATION
CALIFORNIA STATE UNIVERSITY, CHICO**

A California Nonprofit Public Benefit Corporation

**ARTICLE I
NAME**

The name of this corporation (hereinafter referred to as "Foundation") shall be "The University Foundation, California State University, Chico."

**ARTICLE II
OFFICES**

SECTION 1. PRINCIPAL OFFICE

The principal office for the transaction of the business of this Foundation ("principal business office") is located at California State University, Chico, Butte County, California 95929. The Governors may change the principal business office from one location to another. Any change of this location shall be noted by the secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

SECTION 2. OTHER OFFICES

The Board of Governors may at any time establish branch or subordinate offices at any place or places where the Foundation is qualified to do business.

**ARTICLE III
OBJECTIVES AND PURPOSES**

The objectives of this Foundation shall be:

1. That it is a corporation which does not contemplate pecuniary gain or profit to the Governors thereof;
2. To promote and assist the educational services of California State University, Chico, or such institution as shall succeed to the properties and functions of said University, and to apply the funds and properties coming into its hands

toward furthering the educational services carried on or approved by the administrative officers of California State University, Chico;

3. To enter into, make and perform contracts and agreements; to purchase or otherwise acquire, hold, lease, encumber, sell, assign, transfer, mortgage, pledge, hypothecate, exchange or otherwise dispose of any securities, evidence of debt or other property in the same manner and to the same extent as a natural person might or could do;
4. To take gifts of both real and personal property; to sue and defend; to borrow money and give promissory notes or bonds therefore and secure payment thereof by mortgage or deed of trust; to loan money upon or without security;
5. To receive bequests and devises by will or upon trusts to the same extent as a natural person;
6. To serve as trustee of any trust in which this Foundation is a named beneficiary;
7. To do whatever may be necessary or convenient in the conduct of its business to accomplish the purposes of said Foundation;
8. To perform all other acts within or without the State of California to the same extent as a natural person could do.

ARTICLE IV NONPARTISAN ACTIVITIES

This Foundation has been formed under the California Nonprofit Public Benefit Corporation Law for the public purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Foundation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Foundation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

The Foundation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

ARTICLE V
DEDICATION OF ASSETS

The properties and assets of this nonprofit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of this Foundation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any Governor of this Foundation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization(s) dedicated to the same or similar charitable purposes, provided that the organization(s) is dedicated to the exempt purposes as specified in Internal Revenue Code Section 501(c)(3).

ARTICLE VI
MEMBERS

The Foundation shall have no members.

ARTICLE VII
GOVERNORS

SECTION 1. POWERS

- a) General Corporate Powers. Subject to the provisions of the laws governing auxiliary organizations of The California State University and by the California Nonprofit Corporation Law and any limitations in the articles of incorporation and these bylaws, the business activities and affairs of the Foundation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Governors.
- b) Specific Powers. Without prejudice to these general powers, and subject to the same limitations, the Governors shall have the power to:
 - i) Select and remove all officers, agents, and employees of the Foundation; prescribe any powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; and fix their compensation.
 - ii) Change the principal business office in the State of California from one location to another; cause the Foundation to be qualified to do business in any other state, territory, dependency, foreign country and conduct business within or outside the State of California.

- iii) Adopt, make, and use a corporate seal and alter the form of the seal and certificate.
- iv) Borrow money and incur indebtedness on behalf of the Foundation and cause to be executed and delivered for the Foundation's purposes, in the Foundation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- v) Establish grant-making procedures.
- vi) Contract with other related or unrelated nonprofit corporations for the use of employees, agents, or services.

SECTION 2. NUMBER AND QUALIFICATION OF GOVERNORS

The Board of Governors shall consist of at least seven (7) but not more than fifty (50) Governors, unless changed by amendment to these bylaws. The exact number of Governors shall be fixed, within these limits, by resolution of the Board of Governors. Governors need not be residents of the State of California. Of the Governors, up to ten (10) shall serve as a result of position; those being:

- (i) University President
- (ii) Vice President for University Advancement
- (iii) Provost and Vice President for Academic Affairs
- (iv) Vice President for Business and Finance
- (v) Vice President for Student Affairs
- (vi) Associate Vice President for University Advancement
- (vii) Faculty member appointed by the University President
- (viii) Immediate Past Chair of the University Foundation
- (ix) Currently enrolled student appointed by the University President
- (x) One Governor who has occupied continuously an elected Governor position for six years but is elected by the Board of Governors as Chair and the term of the position as Chair exceeds the Governor's Board term provided, however, that this position shall be for only one additional year.
- (xi) Up to forty-one lay members

At such time as the Board of Governors, following consultation with the University President, approves an increase in the number of Governors, and at the direction of the Board, the nominating Committee shall meet and present to the Board nominees for the authorized Board positions.

When there is an increase in the number of Governors not serving as a result of position with the University, each Governor will serve for a one, two or three year term determined by the University President so that the re-election of such Governors is staggered in thirds.

The Board of Governors may commence business with fewer than the authorized positions by resolution of the Board.

SECTION 3. TERM OF OFFICE

With the exception of the Governors serving as a result of position as listed in Section 2 of this Article, Governors' terms of office shall be from July 1 following their date of election by the Board, and such term shall be for three (3) years. A Governor may serve for three terms, in addition to a short term resulting from an appointment prior to a full term to fill a vacancy or due to the increase in the number of Governors. Governors of the initial Board of the Foundation who are not serving as a result of position, shall serve for a one, two or three year term as determined by the University President so that the re-election of such Governors is staggered in thirds.

SECTION 4. ELECTION

Governors not serving by virtue of their position as indicated in Section 2 of Article VII whose terms are expiring shall be elected at the last regular meeting of the fiscal year. Election to new Governor positions authorized by the Board shall take place at the direction of the Board. If the last scheduled meeting is not held or the Governors are not elected at the last scheduled meeting, they may be elected at any special meeting held for that purpose. Each Governor, including a Governor elected to fill a vacancy or elected at a special meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. If any vacancy or vacancies are not filled by the Governors, successor Governors may be elected by a majority of the officers.

The Nominating Committee will prepare a single slate of nominees equaling the number of expiring terms and vacancies due to other causes. The Nominating Committee report listing nominees shall accompany the meeting agenda, and the election will be held during the regular business of the meeting. Nominations from the floor shall be called for. Should there be more than one nominee for a vacancy, a vote of the Governors shall be taken and the nominee receiving the greatest number of votes shall be declared elected.

SECTION 5. VACANCIES

(a) Events Causing Vacancy. A vacancy or vacancies in the Board of Governors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Governor; (ii) the declaration of resolution of the Board of Governors of a vacancy of the office of a Governor who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty generally under Part Two of Chapter Two, and specifically under section 5230 et seq. (relating to Standards of Conduct) of the California Nonprofit Corporation Law, or (iii) the increase of the authorized number of Governors.

(b) Resignations. Except as provided in this paragraph, any Governor may resign, which resignation shall be effective on giving written notice to the Chair of the Board, the president, the secretary, or the Board of Governors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Governor is effective at a future time, the Board of Governors may elect a successor to take office as of the date when resignation becomes effective. Except upon notice to the Attorney General, no Governor may resign where the Foundation would then be left without a duly elected Governor or Governors in charge of its affairs.

(c) Removal. Subject to the rights, if any, of a Governor under any contract of employment, any Governor may be removed, with or without cause, by the Board of Governors, at any regular or special meeting of the Board, or by an officer on whom such power of removal may be conferred by the Board of Governors.

(d) No Vacancy on Reduction of Number of Governors. No reduction of the authorized number of Governors shall have the effect of removing any Governor before that Governor's term of office expires.

(e) Restriction on Interested Governors. Not more than forty-nine percent of the persons serving on the Board of Governors at any time may be interested persons. An interested person is (1) any person currently being compensated by the Foundation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Governor as Governor and (2) any brother, sister, ancestor, descendant, spouse, sister-in-law, brother-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, or domestic partner of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Foundation.

(f) Nominating Committee. The Chair of the Board, or the University President, if there is no Chair, shall appoint a committee to select qualified candidates for election to the Board of Governors at least ninety days before the date of any election of Governors. The Nominating Committee shall make its report to the Board of Governors at least thirty (30) days before the date of the election.

(g) Publications. Without limiting the generality of the foregoing, if the Foundation now or hereafter publishes, owns, or controls a magazine, newsletter, or other publication, and publishes material in the publication soliciting votes for any nominee for Governor, it shall make available to all other nominees, in the same issue of the publication, an equal amount of space, with equal prominence, to be used by the nominee for a purpose reasonably related to the election.

(h) Use of Corporate Funds to Support Nominee. Without authorization of the Board, no corporate funds may be expended to support a nominee for Governor after there are more people nominated for Governor than can be elected.

SECTION 6. PLACE OF MEETINGS; MEETINGS BY TELEPHONE

There shall be at least four (4) regular meeting per fiscal year. Written notice of regular meetings shall be provided to the Board at least twenty-one (21) days in advance of the meeting. Regular meetings of the Board of Governors may be held without notice at any place within or outside the State of California that has been designated from time to time by the bylaws or by resolution of the Board. In the absence of such designation, regular meetings shall be held on the campus of California State University, Chico. Special meetings of the Board shall be held at any place within the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal business office of the Foundation. Notwithstanding the above provisions of this Section 6, a regular or special meeting of the Board of Governors may be held at any place consented to in writing by all the Board members, either before or after the meeting. All waivers, consents, and approvals shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Governors participating in the meeting can hear one another, and all such Governors shall be deemed to be present in person at such meeting.

SECTION 7. SPECIAL MEETINGS

- (a) Authority to Call. Special meetings of the Board of Governors for any purpose may be called at any time by the Chair of the Board, the President, any Vice President, or by any committee Chair.
- (b) Notice
 - (i) Manner of Giving. Notice of the time and place of special meetings shall be given to each Governor by one of the following methods: (a) by personal delivery or written notice; (b) by first-class mail, postage paid; (c) by telephone communication, either directly to the Governor or to a person at the Governor's office who would reasonably be expected to communicate such notice promptly to the Governor; (d) by telegram, charges prepaid; (e) by facsimile; (f) by E-mail message; or (g) by overnight service. All such notices shall be given or sent to a Governor's address, telephone, facsimile or modem number as shown on the records of the Foundation.
 - (ii) Time Requirements. Notices sent by first-class mail shall be deposited into a United States mailbox at least seven days before the time set for the meeting. Notices given by personal delivery, overnight service, telephone, telegraph, facsimile, or E-mail shall be delivered, telephoned, or given to the telegraph company at least forty-eight hours before the time set for the meeting.
 - (iii) Notice Contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of meeting, or the place of the meeting, if it is to be held at the principal business office of the Foundation.

SECTION 8. QUORUM

A majority of the currently acting number of Governors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 10 of this Article VII. Every act or decision done or made by a majority of the Governors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Governors, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a Governor has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Governors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Governors, if any action taken is approved by at least a majority of the required quorum for that meeting.

SECTION 9. WAIVER OF NOTICE

The transactions of any meeting of the Board of Governors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Governors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Such action by written consent shall have the same force and effect as the unanimous vote of the Governors. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Governor who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

SECTION 10. ADJOURNMENT

A majority of the Governors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

SECTION 11. NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Governors who were not present at the time of the adjournment.

SECTION 12. ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board of Governors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as

a unanimous vote of the Board of Governors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

SECTION 13. FEES AND COMPENSATION OF GOVERNORS

Governors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the Board of Governors to be just and reasonable.

SECTION 14. DUTIES OF GOVERNORS

A Governor shall perform the duties of a Governor in a manner such Governor believes to be in the best interest of the Foundation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

SECTION 15. AGENDAS

All agenda items for consideration by the Board of Governors are to be submitted in writing and follow a prescribed format. Items submitted for the agenda are to be sent to the Secretary three (3) weeks prior to a regularly scheduled meeting. Board agendas and all background material will be mailed to Governors two (2) weeks in advance of meetings. Items submitted for Board consideration too late for distribution with the agenda may be introduced by Governors at meetings, but will not be discussed or acted upon until the next Board meeting, unless an exception is made by majority vote of all the members of the Board in attendance.

ARTICLE VIII COMMITTEES

SECTION 1. COMMITTEES

The Board of Governors may, by resolution adopted by a majority of the Governors then in office, provided that a quorum is present, designate one or more committees, each consisting of two or more Governors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, or in the bylaws, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

(a) Take any final action on matters, which under the Nonprofit Corporation Law of California, also requires approval of the Board of Governors;

(b) Fill vacancies on the Board of Governors or in any committee, which has the authority of the board;

- (c) Fix compensation of the Governors for serving on the Board or on any committee;
- (d) Amend or repeal bylaws or adopt new bylaws;
- (e) Amend or repeal any resolution of the Board of Governors which by its express terms is not so amendable or repealable;
- (f) Appoint any other committees of the Board of Governors or the members of these committees;
- (g) Expend corporate funds to support a nominee for Governor after there are more people nominated for Governor than can be elected;
- (h) Approve any transaction (1) to which the Foundation is a party and one or more Governors have a material financial interest; or (2) between the Foundation and one or more of its Governors or between the Foundation or any person in which one or more of its Governors have a material financial interest.

SECTION 2. SELECTION OF COMMITTEES

The Foundation shall have or cause to be had the following committees: Executive Committee; Nominating Committee; Finance and Investment Committee, Audit Committee, and Major Gift and Planned Giving Committee; and such other committees as are from time to time deemed necessary.

SECTION 3. COMMITTEE MEMBERSHIP

The President of California State University, Chico, or his/her designee, shall serve as an ex-officio member of all Foundation committees. The Chair of the Board of Governors shall serve as ex-officio member of all Foundation committees except the Nominating Committee. Members of the committees will be nominated by the Chair of the Board of Governors who shall similarly nominate one of those members to serve as committee Chair and such nominees shall be subject to approval by the Board of Governors, except where the committee is specified in the bylaws. Members of committees need not be Governors, with the exception of the Chairs of the Finance and Investment Committee, Audit Committee, Major Gift and Planned Giving Committee, Chico State Fund Committee, and the Nominating Committee.

SECTION 4. DUTIES OF COMMITTEES

(a) Executive Committee. The Board of Governors shall have an Executive Committee to execute matters of policy and operations. The Executive Committee shall represent and act for the Board between meetings on any matter of policy or procedure with such action to be subsequently reported to the Board; receive progress reports and advise on matters relative to the CSU, Chico development program; and may make recommendation to the President on matters pertaining to the CSU, Chico development program, including budget, personnel, campaigns, etc. The Executive Committee shall consist of the Chair, the Vice Chair, the President, the Secretary, the Treasurer, and two other Governors appointed by the Chair. A majority of the Executive Committee shall constitute a quorum.

(b) Nominating Committee. The Nominating Committee shall have the responsibility for presenting nominees to fill vacancies on the Board of Governors as they may occur. In all cases they shall submit one name only for each vacancy and recommend the expiration date for the term of office. Further, they shall submit a single slate for the officers at the last meeting of the fiscal year.

(c) Finance and Investment Committee. The Finance and Investment Committee shall develop the annual corporate budget and submit it for Board approval; review Foundation financial statements and budget reports; review requests and issues of a financial nature or having a financial impact on the Foundation; and make recommendations to the Board.

The Finance and Investment Committee, subject to the ultimate direction of the Board, shall:

1. manage the investment properties of the Foundation
2. authorize the purchase, sale, or lease of real property held or acquired for investment purposes
3. authorize the construction and repair of buildings to be held or acquired for investment purposes
4. loan funds of the Foundation related to investment of funds under the Committee's jurisdiction, however, no loan from Foundation, for other purposes, shall be effective, until confirmed by the Executive Committee
5. purchase, sell, transfer, or exchange bonds, stocks, and other securities
6. transfer investments among specific funds of the Foundation when such transfers are not in conflict with the terms of any affected endowments
7. maintain, by appropriate resolution, an in-force system of custodianship for all securities
8. report quarterly to the Board concerning the investment operations of the Foundation.

(d) Audit Committee. Members of the Finance and Investment Committee may serve on the Audit Committee; however, the chairperson of the Audit Committee may not be a member of the Finance and Investment Committee and members of the Finance and Investment Committee shall constitute less than one-half of the membership of the Audit Committee. Members of the Audit Committee shall not have a material financial interest in any entity doing business with the corporation.

Subject to the supervision of the Board of Governors, the Audit Committee shall:

1. recommend to the Board of Governors the retention and/or termination of the Independent Auditor which shall audit the financial statements of the Foundation on an annual basis in accordance with standard system-wide procedures as designated in the California Code of Regulations, Title 5, Section 42408(b), furnish said audits to the Chancellor and to the Department of Finance as designated in the California Code of Regulations, Title 5, Section 42408(a) and publish the audited financial statements as designated in the California Code of Regulations, Title 5, Section 42408(c).
2. negotiate the Independent Auditor's compensation, on behalf of the Board of Governors
3. confer with the auditor to satisfy its members that the financial affairs of the Foundation are in order
4. review and determine whether to accept the audit,
5. assure that any non-audit services performed by the auditing firm conform with the Yellow Book standards for auditor independence
6. approve performance of non-audit services by the auditing firm

(e) Major Gift and Planned Giving Committee. The Major Gift and Planned Giving Committee shall advance and foster knowledge and relationships among allied professionals, alumni, parents, and friends of the University on the subject of charitable giving; advise and assist campus development staff and other appropriate University members in the planning and acquisition of major and planned gifts; and assist with educational and promotional experiences regarding the various methods of giving and gift planning.

The Committee will provide information to the University Foundation's Board of Governors on issues concerning development and gift policies and procedures; apprise the Board of Governors of relevant proposed and ongoing campus and community fundraising campaigns and special projects; review and evaluate the progress of ongoing campus campaigns and special projects; make certain best professional practices are followed by the campus development program; review and advise the Board and development staff on administrative services provided by the University Foundation.

In addition, the Committee shall be an advocate of the mission of the major gift and planned giving program to sustain and enhance California State University, Chico's strategic plans.

In addition, the Committee shall have the responsibility to review and advise the University Foundation's Board of Governors and development staff on the process, schedule, budgetary resources, and best practices for the annual solicitation of alumni, parents, and friends; report to the Board on solicitation methods that include direct mail, telemarketing, leadership gift strategies, and personal solicitations; and report to the Board on the progress of increasing the number of donors, donations, major gift prospects, and building donor loyalty.

The Committee shall evaluate and report to the Board on the use and performance of outside vendors and other contracts related to the Chico State Fund. In addition, the Committee shall be an advocate of the mission of the Chico State Fund to provide a renewable base of financial support to sustain and enhance California State University, Chico's strategic plans.

SECTION 5. TERM OF COMMITTEE SERVICE

The Committees' term of service shall be one year and shall coincide with the Foundation's fiscal year.

SECTION 6. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VII of these bylaws, concerning meetings of Governors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Governors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Governors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Governors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Governors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

ARTICLE IX OFFICERS

SECTION 1. OFFICERS

The officers of the Foundation shall be a Chair, a Vice Chair, a Secretary, a Treasurer, and such other officers, as the Board shall from time to time deem necessary. The Secretary shall be the Vice President for University Advancement, and the Treasurer shall be the Vice President for Business and Finance, and they shall hold those offices as a result of their University positions. In the absence of such University position, the President of the University shall appoint an appropriate person or position to fulfill the office in question.

Any number of offices may be held by the same person, except that the Secretary and Treasurer may not serve concurrently as the Chair of the Board.

SECTION 2. ELECTION OF OFFICERS

The Chair, Vice Chair, and other officers of the Foundation, with the exception of the Secretary and the Treasurer shall be elected annually by the Board of Governors at the last meeting of the fiscal year. The Nominating Committee shall prepare a single slate of nominees for the offices and their report, listing nominees shall accompany the meeting agenda. The election will be held during the regular business of that meeting. Nominations from the floor shall be called for and, should there be more than one nominee for a vacancy, a vote of the Governors shall be taken and the nominee receiving the greatest number of votes shall be declared elected.

SECTION 3. REMOVAL OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Governors, at any regular or special meeting of the Board, or except in case of an officer chosen by the Board of Governors, by an officer on whom such power of removal may be conferred by the Board of Governors.

SECTION 4. RESIGNATION OF OFFICERS

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

SECTION 5. VACANCIES IN OFFICES

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these bylaws for regular appointments to that office.

SECTION 6. RESPONSIBILITIES OF OFFICERS

(a) Chair of the Board. The Chair of the Board shall preside at meetings of the Board of Governors and exercise and perform such other powers and duties as may be from time to time assigned to the Chair by the Board of Governors or prescribed by the bylaws. The Chair of the Board shall, in addition, be the chief executive officer of the Foundation and shall have the powers and duties prescribed in the paragraph below. The Chair shall preside at all meetings, shall call and preside at Executive Committee meetings, and shall be an ex-officio member of all committees of the Foundation except the Nominating Committee. The Chair shall nominate such committees to the Board, and their Chairs, as are authorized by these bylaws, and shall exercise such powers as may be necessary for the efficient and proper performance of said duties.

The Chair generally supervises, directs, and controls the business and the officers of the Foundation.

If the term of service of the Chair exceeds his or her term as a Governor, he or she shall continue to be Chair until the term expires or until he or she is otherwise removed.

(b) Vice Chair. In the absence or disability of the Chair, the Vice Chair shall perform all the duties of the Chair, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Chair. The Vice Chair shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Governors or the Chair of the Board.

(c) Secretary. The Secretary shall, subject to the control of the Board of Governors, have general supervision, direction, and control of the business of the Foundation. The Secretary shall give notice and record and keep, or cause to be recorded and kept, the minutes of all meetings of the Board and its committees. The Secretary shall be the custodian of all official records of the Foundation and shall keep in custody the corporate seal. The Secretary shall cause to be disbursed, Foundation funds as the Governors order. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Governors or the bylaws.

If required by the Board of Governors, the Secretary shall give the Foundation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of that office and for restoration to the Foundation of all its books, papers, vouchers, money, and other property of every kind in the Secretary's possession or under the Secretary's control on the Secretary's death, resignation, retirement, or removal from office

(d) Treasurer. The Treasurer shall work with the Secretary to administer the financial affairs of the Foundation and shall disburse Foundation funds, keep, or cause to be kept, and maintain, or cause to be maintained, adequate and correct accounts of the properties and business transactions of the Foundation and shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the Foundation in such depositories as may be designated by the Governors and shall render to the Executive Committee and the Governors periodically and upon request, an account of the financial condition of the Foundation. As the chief financial officer for the University and University Foundation, the Treasurer will insure appropriate coordination with the University and other University related organizations.

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

SECTION 7. TERM OF OFFICE

The term of office for each elected officer shall be one (1) year and officers may be re-elected for subsequent terms with the exception of the Chair, who may be re-elected to serve no more than two one-year terms. Officers' terms coincide with the Foundation's fiscal year.

ARTICLE X
INDEMNIFICATION OF GOVERNORS, OFFICERS,
EMPLOYEES, AND OTHER AGENTS

SECTION 1. DEFINITIONS

For the purpose of this Article,

(a) "Agent" means any person who is or was a Governor, officer, employee, or other agent of this Foundation, or is or was serving at the request of this Foundation as a Governor, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Governor, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this Foundation or of another enterprise at the request of the predecessor corporation;

(b) "Proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

(c) "Expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his or her position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

SECTION 2. SUCCESSFUL DEFENSE BY AGENT

To the extent that an agent of this Foundation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him or her, then the provisions of Sections 3 through 5 shall determine whether the agent is entitled to indemnification.

SECTION 3. ACTIONS BROUGHT BY PERSONS
OTHER THAN THE FOUNDATION

Subject to the required findings to be made pursuant to Section 5 below, this Foundation 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 brought by, or on behalf of, this Foundation, or by an officer, Governor, or person granted relator status by the Attorney General, or by the Attorney General on the ground that the defendant Governor was or is engaging in self-dealing within the meaning of California Corporations Code Section 5233

of the California Nonprofit Corporation Law, or by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of this Foundation, for all expenses, judgments, fines, settlements, and other amount actually and reasonably incurred in connection with the proceeding.

SECTION 4. ACTION BROUGHT BY OR ON BEHALF OF THE FOUNDATION

(a) Claims Settled out of Court. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this Foundation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding, unless it is settled with the approval of the Attorney General.

(b) Claims and Suits Awarded Against Agent. This Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of this Foundation by reason of the fact that the person is or was an agent of this Foundation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:

(i) The determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that Section; and

(ii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

SECTION 5. DETERMINATION OF AGENT'S GOOD FAITH CONDUCT

The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

(a) Required Standard of Conduct. The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner such person reasonably believed to be in the best interest of this Foundation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner such person reasonably believed to be in the best interest of this Foundation or that such person had reasonable cause to believe that the conduct of such person was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that the conduct of such person was unlawful.

(b) Manner of Determination of Good Faith Conduct. The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:

(i) The Board of Governors by a majority vote of a quorum consisting of Governors who are not parties to the proceeding; or

(ii) The court in which the proceeding is or was pending. Such determination may be made on application brought by this Foundation or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by this Foundation.

SECTION 6. LIMITATIONS

No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5(b)(ii), in any circumstance when it appears:

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

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

SECTION 7. ADVANCE OF EXPENSES

Expenses incurred in defending any proceeding may be advanced by this Foundation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

SECTION 8. CONTRACTUAL RIGHTS OF NONGOVERNORS AND NONOFFICERS

Nothing contained in this Article shall affect any right to indemnification to which persons other than Governors and officers of this Foundation, or any subsidiary hereof, may be entitled by contract or otherwise.

SECTION 9. INSURANCE

The Board of Governors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Governor, officer or agent of the Foundation against any liability other than for violating provisions against self-dealing asserted against

or incurred by such person in such capacity or arising out of such person's status as such, whether or not this Foundation would have the power to indemnify the agent against that liability under the provisions of this Section.

ARTICLE XI RECORDS AND REPORTS

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The Foundation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of its Board, and committees of the Board; and
- (c) The original or a copy of its articles and bylaws as amended to date.

All such records shall be kept at the Foundation's principal business office, or if its principal business office is not in the State of California, at its principal business office in this state.

SECTION 2. INSPECTION BY GOVERNORS

Every Governor shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Foundation and each of its subsidiary corporations. This inspection by a Governor may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

SECTION 3. ANNUAL REPORT

(a) Not later than 120 days after the close of the Foundation's fiscal year, the Board shall cause an annual report to be prepared. Such report shall contain the following information in reasonable detail:

- (i) The assets and liabilities, including the trust funds, of the Foundation as of the end of the fiscal year.
- (ii) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (iii) The revenue or receipts of the Foundation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (iv) The expenses or disbursements of the Foundation, for both general and restricted purposes, during the fiscal year.
- (v) Any information required by Section 4 of this Article.

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

SECTION 4. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

No later than the time the Foundation gives its annual report, and in any event no later than 120 days after the close of the Foundation's fiscal year, the Foundation shall prepare a statement of the amount and circumstances of any transaction or indemnification of the following kind:

(a) Any transaction(s) in which the Foundation, its parent or its subsidiary was a party, and in which any Governor, officer or agent of the Foundation, its parent or subsidiary (a mere common directorship shall not be considered such an interest); or

(b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Governor of the Foundation pursuant to Article X hereof.

ARTICLE XII 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 above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Foundation and a natural person.

ARTICLE XIII AMENDMENTS

(a) The Board of Governors may adopt, amend, or repeal any bylaw provision.

(b) If any provision of these bylaws requires the vote of a larger proportion of the Governors than otherwise required by law, such provision may not be altered, amended, or repealed except by vote of such larger number of Governors.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of, The University Foundation, California State University, Chico, a California nonprofit corporation, and the above bylaws, consisting of eighteen (19) pages, are the bylaws of this Foundation as adopted at a meeting of the Board of Governors held on June 4, 1997 and amended at meetings of the Board of Governors on March 6, 2002, April 17, 2003, August 28, 2003, December 15, 2004, March 29, 2005, and June 29, 2006.

Dated: _____

Secretary, Richard E. Ellison

Amended:
March 6, 2002
April 17, 2003
August 28, 2003
December 15, 2004
March 29, 2005
June 29, 2006