

**BYLAWS
of
CALIFORNIA BAR FOUNDATION**

Amended and Restated by the Board of Directors on [Insert Date], 2014

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**BYLAWS
of the
CALIFORNIA BAR FOUNDATION**

**ARTICLE I
Principal Office**

The principal office of the Foundation shall be located in the county of San Francisco, California.

**ARTICLE II
Membership**

The Foundation shall have no voting 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, including the obligation to pay dues.

**ARTICLE III
Board of Directors**

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

Section 2. Limitation on Board Powers. The powers of the Board of Directors are limited as follows.

(a) Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit ~~[Deleted Text Begins]Foundation[Deleted Text Ends]~~[Inserted Text Begins]Corporation[Inserted Text Ends] Law, the Foundation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that the Foundation may advance money to a director or officer of this Foundation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

(b) Self-Dealing Transactions. Except as provided in (c) below, the Board of Directors shall not approve, or permit the Foundation to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which the Foundation is a party and in which one or more of its directors has a material financial interest, unless the transaction comes within California ~~[Deleted Text Begins]Foundations Code[Deleted Text Ends]~~[Inserted Text Begins]Nonprofit Public Benefit Corporation Law[Inserted Text Ends] Section 5233(b).

(c) Approval. The Foundation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. The Foundation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (i) this Foundation is entering into the transaction for its own benefit; (ii) the transaction is fair and reasonable to the Foundation at the time; and (iii) after reasonable investigation, the Board

determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and by a two-thirds vote of a quorum, without counting the vote of the interested director or directors.

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

Section 3. Number of Directors. The authorized number of directors of the Foundation shall be not less than twenty-five (25) nor more than thirty-five (35), with the exact number of authorized director to be fixed from time to time by resolution by the Board of Directors. All directors shall be designated as provided in Section 6 below.

Section 4. Qualifications. To be eligible to serve on the Board of Directors, a person must have shown an interest in, and be committed to, the purposes and goals of the Foundation.

Section 5. Limitations on Interested Persons. No more than 49% of the directors of this Foundation may be interested persons. An interested person means either:

(a) 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 director in his or her capacity as director; or

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 6. Designation of Directors. ~~[Deleted Text Begins]All of [Deleted Text Ends]The [Inserted Text Begins]initial Board of [Inserted Text Ends] Directors [Deleted Text Begins]of the Foundation[Deleted Text Ends][Inserted Text Begins]shall be chosen by the incorporator. Thereafter, directors[Inserted Text Ends] shall be designated by the Board of [Deleted Text Begins]Governors of the State Bar of California, a California public corporation created by the California Constitution and the State Bar Act as a government agency in the judicial branch of government to function as the administrative arm of the Supreme Court of California in the regulation of the practice of law (hereinafter, the "State Bar"); provided, however that at all times the current incumbent President of the State Bar shall be an *ex officio* director of the Foundation.[Deleted Text Ends][Inserted Text Begins]Directors.[Inserted Text Ends]~~

Section 7. Term of Office. Directors of the Foundation (other than *ex officio* directors) shall serve for a term of two years from January 1 through December 31 of the year next following their appointment, and thereafter until their successors have been duly appointed or designated. Directors may serve not more than three consecutive terms. An individual shall

be eligible to serve as a director after two years have passed since the individual has been out of office.

In 1997, the Board of Directors implemented a system of staggered terms of office for all directors, other than *ex officio* directors, in order to promote continuity in the Foundation's management. As a result of this action, in two-year cycles in even-numbered calendar years there are vacancies in half of the seats on the Board and in two-year cycles on odd-numbered years there are vacancies in the other seats on the Board.

Vacancies created by the authorization of additional directorships shall be similarly allocated so that the number of directorships (including vacancies) whose terms expire on any December 31 shall be as nearly equal as possible to the terms of those (including vacancies) that will expire on December 31 of the year next following. The terms of office of the *ex officio* directors shall continue for so long as the director occupies the office giving rise to his or her status as an *ex officio* director.

Section 8. Vacancies.

(a) Events Causing Vacancy. A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (i) the death or resignation of any director; (ii) the removal of a director from office, with or without cause by the Board of ~~[Deleted Text Begins]Governors of the State Bar[Deleted Text Ends]~~[Inserted Text Begins]Directors[Inserted Text Ends]; or (iii) an increase in the authorized number of directors.

(b) Resignation of Directors. Except as provided below, any director may resign by giving written notice to the president or the secretary of the Foundation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. Except on notice to the Attorney General of California, no director may resign if the Foundation would be left without any duly appointed or designated directors.

(c) Removal of Directors for Cause. Cause for the removal of a director shall exist under any of the following circumstances:

- (i) the director has been declared of unsound mind by a final order of court;
- (ii) the director has been convicted of a felony while in office or is discovered to have been previously convicted of a felony;
- (iii) the director has been found by a final order or judgment of any court to have breached any duty that the director has to the Foundation under Sections 5230 and following of the California Nonprofit Public Benefit Corporation Law (such as a breach of fiduciary duty or the commission of an act of self-dealing);
- (iv) the director fails to attend three consecutive regular meetings of the Board of Directors or fails to attend ~~[Deleted Text Begins]five[Deleted Text Ends]~~[Inserted Text Begins]four[Inserted Text Ends] regular

meetings of the Board in any one calendar year and, in either instance, the absence is unexcused by the Board or the Executive Committee.

In the event that cause for removal is determined to exist [Inserted Text Begins]for a director[Inserted Text Ends] with respect to any director who sits by appointment of the Board of Directors, that director may be removed from office by action of the Board of Directors~~[Deleted Text Begins]; provided, however, that any removal pursuant to subparagraph (iv), above, shall only be effective upon ratification of the action by the Board of Governors of the State Bar.[Deleted Text Ends]~~

(d) Filling Vacancies. When a vacancy occurs on the Board, the seat shall be filled by designation of a successor by the Board of ~~[Deleted Text Begins]Governors of the State Bar[Deleted Text Ends]~~[Inserted Text Begins]Directors[Inserted Text Ends]. Any successor thus appointed shall serve for the remaining term of the director who is being replaced.

(e) No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 9. Annual Meetings. A meeting of the Board of Directors shall be held at least once each year. Annual meetings shall be called by the president or any two directors and noticed in accordance with Section 11.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the president or any two directors and noticed in accordance with Section 11.

Section 11. Notice. Notice of the annual meeting and any special meetings of the Board of Directors shall be given to each director at least four days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, and shall state the date, place, and time of the meeting.

Section 12. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 13. Quorum. Forty percent (40%) of the number of directors then in office shall constitute a quorum. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in ~~[Deleted Text Begins]Article III, Section 15 of these Bylaws or in [Deleted Text Ends]~~the California Nonprofit Public Benefit Corporation Law. ~~[Deleted Text Begins]majority of[Deleted~~

Text Ends][Inserted Text Begins]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.[Inserted Text Ends]

Section 14. Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent to such action. Such written consents shall be filed with the minutes of the proceedings of the Board. Such written consents shall have the same force and effect as the unanimous vote of such directors. [Inserted Text Begins]For purposes of this Section 14 only, “all members of the Board” does not include any “interested directors” or “common director,” in each case to the extent the conditions set forth in Section 5211(b) of the California Nonprofit Public Benefit Corporation Law are satisfied.[Inserted Text Ends]

Section 15. Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment[Inserted Text Begins], and such participation shall constitute presence in person at such meeting[Inserted Text Ends] so long as all of the following apply:

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

Section 16. Standard of Care.

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

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

- (i) one or more officers or employees of this Foundation whom the director believes to be reliable and competent as to the matters presented;

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

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

Except as provided in Section 2 (b) of this Article, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a Foundation, or assets held by it, are dedicated.

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

Section 17. Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this Foundation.

Section 18. Compensation and Reimbursement. Directors and members of committees of the Board of Directors, may receive such compensation, if any, for their services as directors or officers or as committee members and such reimbursement of expenses as the Board may determine by resolution to be just and reasonable as to the Foundation at the time that the resolution is adopted.

Section 19. Executive Compensation Review. The Board of Directors (or Board Committee) shall review any compensation packages (including all benefits) of the Executive Director and any other compensated officer and shall approve such compensation only after determination that the compensation is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this Foundation.

Section 20. Emeritus Director. The Board may appoint as Emeritus Director any person who has served in the past as a director of the Foundation. The appointment shall be deemed to be honorary only and in recognition of outstanding service to the Foundation. The person so appointed shall have none of the rights associated with a directorship nor any of the responsibilities for the management, direction, or conduct of the affairs of the Foundation.~~[Deleted Text Begins]list[Deleted Text Ends]~~

[Inserted Text Begins]Section 21. Emergency Provisions.[Inserted Text Ends]

(a) [Inserted Text Begins]In the event of any emergency, disaster or catastrophe, as defined in Section [Inserted Text Ends]
[Inserted Text Begins]5140 of the California Nonprofit Public Benefit Corporation Law, or other similar emergency condition, as a result of which a quorum of the Board or a standing committee of the Board cannot readily be convened for action, any director or officer of the corporation may call a meeting of the Board or any standing committee of the Board by any practical means. Notice [Inserted Text Ends]

[Inserted Text Begins]of the time and place of the meeting shall be given by any available means of communication [Inserted Text Ends]

[Inserted Text Begins]by the person calling the meeting to such of the directors as it may be feasible to reach. Such notice shall be given at such time in advance of the meeting as, in the judgment of the person calling the meeting, circumstances permit.[Inserted Text Ends]

(b) [Inserted Text Begins] If, as a result of such an emergency, disaster or catastrophe, a quorum of the Board [Inserted Text Ends]
[Inserted Text Begins]or a standing committee of the Board cannot readily be convened for action, the director or directors in attendance at the meeting shall constitute a quorum. To the extent necessary to constitute a quorum at any meeting of the Board during such emergency, [the officers or other persons designated on a list to be approved by the Board before the emergency, all in such [Inserted Text Ends]

[Inserted Text Begins]order of priority as provided in such list,][the officers of the corporation who are present, in order of rank, and within the same rank in order of seniority.] shall be deemed directors for [Inserted Text Ends]

[Inserted Text Begins]such meeting. Such director or directors in attendance may further take action to appoint one [Inserted Text Ends]

[Inserted Text Begins]or more of themselves or other directors to membership on any standing or temporary committees of the Board as they shall deem necessary and appropriate.[Inserted Text Ends]

(c) [Inserted Text Begins] The Board, either before or during any such emergency, may provide, and from[Inserted Text Ends]

[Inserted Text Begins]Time to time modify, lines of succession in the event that during such emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties.[Inserted Text Ends]

(d) [Inserted Text Begins] Any actions taken in good faith in anticipation of or during an emergency under[Inserted Text Ends]

[Inserted Text Begins]Section 5140 of the California Nonprofit Public Benefit Corporation Law shall bind the Foundation and may not be used to impose liability on a director, officer, employee or agent.[Inserted Text Ends]

ARTICLE IV

Committees

Section 1. Board Committees. The Board of Directors may create any number of Board Committees, each consisting of two or more directors, to serve at the pleasure of the

Board. Board Committees shall include but shall not be limited to an Audit Committee and an Executive Committee. Appointments to any Board Committee shall be by majority vote at a regular or special meeting of the Board at which a quorum is present. Only directors may be members of Board Committees. Board committees may have all of the authority of the Board, except for the powers to:

- (a) set the number of directors within a range specified in these Bylaws;
- (b) elect trustees or remove directors without cause;
- (c) fill vacancies on the Board of Directors or on any Board Committee;
- (d) fix compensation of directors for serving on the Board or any Board Committee;
- (e) amend or repeal these Bylaws or adopt new Bylaws;
- (f) adopt amendments to the Articles of Incorporation of this Foundation;
- (g) amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- (h) create any other Board Committees or appoint the members of any Board Committees; ~~[Deleted Text Begins]or[Deleted Text Ends]~~
- (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this Foundation;

[Inserted Text Begins](j) approve any action that, under the California Nonprofit Public Benefit [Inserted Text Ends]
[Inserted Text Begins]Corporation Law, also requires the affirmative vote of the members of a public [Inserted Text Ends]
[Inserted Text Begins]benefit corporation;[Inserted Text Ends]

[Inserted Text Begins](k) expend corporate funds to support a nominee for director after there are [Inserted Text Ends]
[Inserted Text Begins]more people nominated for director than can be elected; and[Inserted Text Ends]

[Inserted Text Begins](l) approve any transaction between the Foundation and one or more of its [Inserted Text Ends]
[Inserted Text Begins]directors in which the director or directors have a material financial interest, except [Inserted Text Ends]
[Inserted Text Begins]as provided by Section 5233 of the California Nonprofit Public Benefit Corporation[Inserted Text Ends]
[Inserted Text Begins] Law.[Inserted Text Ends]

Section 2. Advisory Committees. The Board of Directors may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of

directors or non-directors and may be appointed as the Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of this Foundation, but shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee.

Section 3. Meetings.

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

(b) Of Advisory Committees. Advisory Committees shall determine their own meeting rules and whether minutes shall be kept.

Section 4. Committee Charters. The Board of Directors shall adopt a Charter for each Board or Advisory Committee containing rules for the governance of the Committee not inconsistent with the provisions of these Bylaws.

ARTICLE V

Officers

Section 1. Officers. The officers of the Foundation shall be a President, a Secretary, a Treasurer and an Executive Director. The Foundation may also have, at the discretion of the Board of Directors, one or more Vice Presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with Section 3, below. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President.

Section 2. Election. The officers of the Foundation, except the Executive Director and those appointed under Section 3, below, shall be elected by the Board of Directors from among their number. Subject to the pleasure of the Board of Directors, all officers (other than the President) shall serve for terms extending from January 1 of the year for which designated through December 31 of that year and the President shall serve for a term ending on December 31 of the next even numbered year, and, in each case, thereafter until their successors shall been duly designated. Upon taking office as President, the person so designated shall cease to be a director of the Foundation for any unexpired term for which originally designated and shall become an *ex officio* director.

Section 3. Other Officers. The Board of Directors may appoint and may authorize the President or another officer to appoint any other officers that the Foundation may require.

Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board of Directors.

Section 4. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer elected by the Board may be removed with or without cause by the Board.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Foundation. The resignation shall take effect as of the date the notice is received or any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Foundation under any contract to which the officer is a party.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 7. President. The President of the Foundation shall preside at meetings of the Board and shall serve as the principal liaison between the Board of Directors and the Executive Director. In addition, the President shall exercise and perform such other powers and duties as the Board may assign to the President from time to time.

Section 8. Vice Presidents. If the President is absent or disabled, the Vice President, if any, in order of their rank as fixed by the Board of Directors, or, if not so ranked, a Vice President designated by the Board of Directors, shall perform all duties of the President. When so acting, a Vice President shall have all powers of and be subject to all restrictions on the President. The Vice Presidents shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

Section 9. Secretary. The Secretary shall keep or cause to be kept, at the Foundation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was regular or special, the notice given, and, if special, how authorized, and the names of those present at Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the articles of incorporation and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The Secretary shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 10. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Foundation's properties and transactions. The Treasurer shall also send or cause to be given to the directors such financial statements and reports as are required to be given by laws, by these Bylaws, or by the Board. The books of account shall be open to inspection by any director at all reasonable times. It is the practice of the Foundation to have its books maintained by designated persons on the

Foundation's staff and for such persons to deposit funds in the appropriate Foundation accounts upon receipt.

The Treasurer shall deposit, or cause the appropriate person or persons on the Foundation's staff to deposit, all money and other valuables in the name and to the credit of the Foundation with such depositories as the Board may designate, shall disburse the Foundation's funds as the Board may order, shall render to the President and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Foundation, and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

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

Section 11. Executive Director. Subject to the direction and control of the President and the Board of Directors of the Foundation, the Executive Director shall have responsibility for the day to day management of the business and affairs of the Foundation. The Executive Director is a non-voting, *ex officio* director and a non-voting, *ex officio* member of the Executive Committee.

ARTICLE VI

Indemnification and Insurance

Section 1. Right of Indemnity. To the fullest extent permitted by law, the Foundation shall indemnify its directors, officers, employees, and other persons described in section 5238(a) of the California Nonprofit Public Benefit Corporation Law, including persons formerly occupying any such position (collectively, "agents of the Foundation" or "agents"), against all expenses, judgment, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Foundation, by reason of the fact that the person is or was a person described in that section. The term "expenses," as used here shall have the same meaning as in section 5238(a) of the California Nonprofit Public Benefit Corporation Law.

Section 2. Success on the Merits; Entitlement to Indemnification. To the extent that an agent of the Foundation has been successful on the merits in defense of any proceeding in which the agent was named by reason of the fact that the person was an agent of the Foundation, or has been successful on the merits in defense of any claim, issue or matter alleged in the proceeding, the agent shall be entitled to be indemnified against all expenses actually and reasonably incurred by the agent in defense of the proceeding.

Section 3. Approval of Indemnity. Except as provided in Section 2, above, any indemnification pursuant to this Section 3 shall be made by the Foundation only if authorized in a specific case. On written request to the Board of any person seeking indemnification as a agent of the Foundation as a result of being named as a party in a proceeding described in either section 5238(b) or Section 5238(c) of the California Nonprofit Public Benefit Corporation Law, the Board shall promptly determine under section 5238(e) of the California Nonprofit Public Benefit Corporation Law whether the applicable standard of conduct set forth in section 5238(b) or section 5238(c) has been met and, if so, the Board shall authorize indemnification.

Any approval by the Board to indemnify an agent of the Foundation shall require the affirmative vote of a majority of a quorum of the directors, consisting of directors who are not parties to the proceeding giving rise to the request for indemnification. If a quorum of disinterested directors cannot be attained for any reason or if the Board declines to indemnify the agent, indemnification may nevertheless be approved by the court in which the proceeding is or was pending upon application made by the Foundation, the agent, or the attorney or other person rendering services in connection with the agent's defense, whether or not such application by the agent, attorney or other person is opposed by the Foundation.

Section 4. Advancing Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 1 and 2, above, in defending any proceeding covered by Sections 5238(b) or 5238(c) of the California Nonprofit Public Benefit Corporation Law shall be advanced by the Foundation before final disposition of the proceeding, on receipt by the Foundation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Foundation for those expenses. Article III. Section 2(a), above, shall not apply to advances made pursuant to this Section 4.

Section 5. Insurance ~~[Deleted Text Begins]~~As~~[Deleted Text Ends]~~[Inserted Text Begins]To the extent[Inserted Text Ends] provided in Section 5238(i) of the ~~[Deleted Text Begins]~~California Foundations Code~~[Deleted Text Ends]~~[Inserted Text Begins]CaliforniaNonprofit Public Benefit Corporation Law[Inserted Text Ends], the Foundation shall have the power to purchase directors' and officers' liability insurance on behalf of the Foundation and its directors, officers, employees, and other agents, and such insurance may provide for coverage against liabilities beyond the Foundation's power to indemnify the agent under law.

Section 6. Personal Liability of Volunteer Director or Officer for Negligence.

(a) Except as provided in subparagraph (c), below, there shall be no personal liability to a third party on the part of a volunteer director or volunteer executive officer of the Foundation caused by the director's or executive officer's negligent act or omission in the performance of that person's duties as a director or executive officer, if all of the following conditions are met:

- (i) The act or omission was within the scope of the director's or executive officer's duties.
- (ii) The act or omission was performed in good faith.

- (iii) The act or omission was not reckless, wanton, intentional, or grossly negligent.
- (iv) Damages caused by the act or omission are covered pursuant to a liability insurance policy issued to the Foundation, either in the form of a general liability policy or a director's and officer's liability policy, or personally to the director or executive officer. In the event that the damages are not covered by a liability insurance policy, the volunteer director or volunteer executive officer shall not be personally liable for the damages if the Board of Directors and the person had made all reasonable efforts in good faith to obtain available liability insurance.

(b) For purposes of this Section 6, "volunteer" means the rendering of services without compensation and "compensation" means remuneration whether by the way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a director or officer does not affect that person's status as a volunteer within the meaning of this section.

(c) This section does not eliminate or limit the liability of a director or officer for any of the following:

- (i) Any liability with respect to self-dealing transactions as provided in ~~[Deleted Text Begins]California Foundations[Deleted Text Ends]~~[Inserted Text Begins]Nonprofit Public Benefit Corporation Law Section[Inserted Text Ends] 5233 or any liability with respect to certain prohibited distributions, loans or guarantees as provided in section 5237 of said law.
- (ii) In any action or proceeding brought by the California Attorney General.

ARTICLE VII

Grants

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

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

Section 3. Refusal; Withdrawal. The Board of Directors, in its absolute discretion, shall have the right to refuse to make any grants or contributions, or to render other financial assistance, for any or all of the purposes for which the funds are requested. In addition, the

Board, in its absolute discretion, shall have the right to withdraw its approval of any grant at any time and use the funds for other purposes within the scope of the purposes expressed in this corporation's Articles of Incorporation.

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

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

ARTICLE VIII

Miscellaneous

Section 1. Annual Reports to Directors. Within 120 days after the end of this Foundation's fiscal year, the Executive Director shall furnish a written report to all directors of this Foundation containing the following information:

- (a) the assets and liabilities, including the trust funds of this Foundation, 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 this Foundation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) the expenses or disbursements of this Foundation, for both general and restricted purposes, for the fiscal year; and
- (e) any transaction during the previous fiscal year involving more than \$50,000 between this Foundation (or its parent or subsidiaries, if any) and any of its directors or officers (or the directors or officers of its parent or subsidiaries, if any) or any holder of more than ten percent of the voting power of this Foundation or its parent or subsidiaries, if any, or any of a number of such transactions in which the same person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than \$50,000, as well as the amount and circumstances of any indemnifications or advances aggregating more than \$10,000.00 paid during the fiscal year to any director or officer of this Foundation. For each transaction, the report must disclose the names of the interested persons involved in such transaction, stating such person's relationship to this Foundation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

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

Section 2. Required Financial Audits. This Foundation shall obtain an annual financial audit of its financial statements. Whether or not required by law, any audited financial statements obtained by this Foundation shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three years (a) by making them available at this Foundation's principal office, regional, and district offices during regular business hours and (b) either by posting them to this Foundation's website or by mailing a copy to any person who so requests in person or in writing.

Section 3. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board of Directors may adopt, the terms "written" and "in writing" as used in these Bylaws shall include any form of recorded message in the English language capable of being comprehended by ordinary visual means, and may include electronic transmissions [\[Inserted Text Begins\]to and\[Inserted Text Ends\]](#) from the Foundation, such ~~[Deleted Text Begins]a[Deleted Text Ends]~~[\[Inserted Text Begins\]as\[Inserted Text Ends\]](#) facsimile or email, provided (a) for electronic transmissions from the Foundation, the Foundation has obtained an unrevoked written consent from the recipient to the use of such means of communication[\[Inserted Text Begins\] satisfying the requirements of Section 20 of the California Corporations Code\[Inserted Text Ends\]](#); (b) for electronic transmissions to the Foundation, the Foundation has in effect reasonable measure to verify that the sender is the individual purporting to have sent such transmission, and (c) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 4. Amendments. These Bylaws may be amended or repealed and replaced with new Bylaws by ~~[Deleted Text Begins](a) [Deleted Text Ends]~~ the affirmative vote of a majority of the directors then in office ~~[Deleted Text Begins]and (b) approval by or on behalf of the Board of Governors of the State Bar of California.[Deleted Text Ends]~~

Section 5. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

CERTIFICATE OF SECRETARY

I certify that I am the duly designated and acting Secretary of the California Bar Foundation, a California nonprofit public benefit Foundation; that the above Bylaws consisting of 14 pages, are the Bylaws of the Foundation as amended and restated by the Board of Directors at its meeting on ~~[Deleted Text Begins]May 6, 2010[Deleted Text Ends]~~, and that these Bylaws have not been amended or modified since that date. These amended and restated Bylaws were also approved by the Board of ~~[Deleted Text Begins]Governors[Deleted Text Ends]~~[Inserted Text Begins]Trustees[Inserted Text Ends] of the State Bar of California at a meeting held in Los Angeles, California, on July~~[Deleted Text Begins] 24[Deleted Text Ends]~~[Inserted Text Begins] 18[Inserted Text Ends], ~~[Deleted Text Begins]2010[Deleted Text Ends]~~[Inserted Text Begins]2014[Inserted Text Ends].

Executed on _____, ~~[Deleted Text Begins]2010[Deleted Text Ends]~~[Inserted Text Begins]2014[Inserted Text Ends], at _____
(Date) (Location)

~~[Deleted Text Begins]Mark Parnes[Deleted Text Ends]~~[Inserted Text Begins]Mary Ann Todd[Inserted Text Ends], Secretary