

THIRD RESTATEMENT OF BYLAWS
of the
RANCHO SANTA FE FOUNDATION
a California Nonprofit Public Benefit Corporation

Article 1 - Definitions

1.1 Articles

"Articles" shall mean the Articles of Incorporation of the Corporation as said Articles of Incorporation may from time to time be amended.

1.2 Board of Directors; Director

"Board of Directors" shall mean the Board of Directors of the Corporation. "Director" shall mean a member of the Board of Directors.

1.3 Bylaws

"Bylaws" shall mean the Bylaws of the Corporation as said Bylaws may from time to time be amended.

1.4 Corporation

"Corporation" shall mean Rancho Santa Fe Foundation, a California nonprofit public benefit corporation.

1.5 Officer

"Officer" shall mean an officer of the Corporation.

1.6 Purpose

1.6.1 The purpose of the Foundation shall be to fulfill its mission at all times. It is a non-sectarian organization whose intent it is to serve all donors, regardless of age, race, national origin, ethnicity, gender, physical ability, sexual orientation, political affiliation or religious belief.

1.6.2 This corporation is authorized to obtain licensure as a grants and annuities society pursuant to California Insurance Code Sections 11520 through 11524, and to conduct a grants and annuities business once licensed.

1.6.3 This corporation is authorized to act as trustee under any trust incidental to the principal objects of the corporation, and receive, hold, administer, exchange, and expend funds and property subject to such trust, pursuant to Section 5140(k) of California Corporations Code (the "Code").

Article 2 - Principal Office

The Corporation's principal office shall be fixed and located at such place as the Board of Directors shall determine. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another.

Article 3 - Membership

Pursuant to Section 5310 of the Code, the Corporation shall have no "members" as that term is defined in Section 5056 of the Code. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board of Directors. All rights which would otherwise rest in the members pursuant to the Nonprofit Public Benefit Corporation Law shall rest in the Board of Directors.

Article 4 – Board of Directors

4.1 Management of the Corporation

4.1.1 Except as otherwise required by law, the activities and affairs of the Corporation, and all Corporate powers, shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the activities of the Corporation to any person or persons or committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

- (a) To direct the distribution of all undesignated funds for charitable purposes;
- (b) To monitor the distribution of all designated funds for charitable purposes;
- (c) To modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the governing body (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served;
- (d) To replace any participating Director, trustee, custodian, or agent for breach of fiduciary duty under State law; and
- (e) To replace any participating Director, trustee, custodian, or agent for failure to produce a reasonable return of net income (within the meaning of U.S. Department of Treasury Regulation ("Regulation") Section 1.170A-9(e)(1)(v)(F)) over a reasonable period of time.

4.1.2 The foregoing powers shall be exercised by the Board of Directors only in the

furtherance of the best interests of the Corporation. The Board of Directors shall administer all funds which are component parts of the Corporation in accordance with the terms of the Articles and these Bylaws and in accordance with accepted standards of fiduciary conduct to produce a reasonable return of net income (or appreciation where not inconsistent with the Corporation's need for current income) with due regard to safety of principal, in furtherance of the exempt purposes of the Corporation.

4.2 Number; Compensation

4.2.1 The Corporation shall have not less than nine (9) and not more than thirty-three (33) Directors, with the exact number of Directors to be fixed from time to time by resolution of the Board of Directors.

4.2.2 The Directors shall serve without compensation.

4.3 Qualifications

The Directors shall be residents of the State of California. No more than 49% of the persons serving on the Board of Directors may be "interested persons" as defined in Section 5227 of the Code.

4.4 Term; Selection

4.4.1 The Directors shall be divided into three groups, with each group containing an approximately equal number of Directors. Directors shall serve three-year terms coinciding with the calendar year except that upon an individual's initial election to the Board of Directors, such individual shall be assigned to a Director class which might have a term of less than three years remaining so as to equalize the number of Director terms expiring each year.

4.4.2 Any person qualified to be a Director under Paragraph 4.3 of these Bylaws may be nominated by the method of nomination authorized by the Board of Directors or by any other method authorized by law.

4.4.3 A number of Directors equal to the number of Directors whose terms shall expire in a given year shall be elected during one of the last two meetings of the calendar year, or as determined appropriate by the Nominating Committee. The candidates receiving the highest number of votes up to the number of Directors to be elected are elected. Directors shall be eligible for re-election provided they continue to meet the qualifications set forth in Paragraph 4.3. No Director, whether elected or designated, shall serve more than three consecutive terms without there occurring a break in such Director service of at least two years.

4.5 Removal

4.5.1 The Board of Directors may declare vacant the office of a Director who (i) has been declared of unsound mind by the final order of a court or (ii) has been convicted of a felony.

4.5.2 Any Director may be removed without cause if such removal is approved by the Board of Directors within the meaning of Section 5032 of the Code.

4.6 Resignation

Any Director may resign effective upon giving written notice to the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected prior to the effective date and shall take office when the resignation becomes effective. A Director shall not resign when the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.

4.7 Vacancies

4.7.1 Vacancies on the Board of Directors shall exist upon the death, resignation, or removal of any Director and whenever the number of Directors authorized is increased.

4.7.2 Vacancies on the Board of Directors may be filled by a majority of the Directors then in office, whether or not less than a quorum or by a sole remaining Director.

Article 5 -Meetings of the Board of Directors

5.1 Call; Location

5.1.1 Meetings of the Board of Directors may be called by the Chair of any committee or by any two Directors.

5.1.2 Meetings of the Board of Directors may be held at any place within or without the State of California which has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, designated from time to time by resolution of the Board of Directors.

5.2 Regular Meetings

Regular meetings of the Board of Directors shall be held on the second Wednesday of January, March, May, September and November of each year. If such date should fall upon a legal holiday, then the meeting shall be held at the same time on the next succeeding Wednesday thereafter.

5.3 Notice

5.3.1 Written notice of the time and place of meetings of the Board of Directors shall be delivered personally or by telephone facsimile or Email, or sent to each Director by letter, charges prepaid, addressed to each Director at their respective addresses as shown upon the records of the Corporation or, if not shown upon such records or not readily ascertainable, at the place where meetings of the Board of Directors are regularly held, at least four days before the meeting; provided, however, that notice of all regular meetings is hereby dispensed with

except as otherwise required by law. If sent by mail, the notice shall be deemed to be delivered upon its deposit in the United States Postal Service.

5.3.2 All special meetings shall be held upon four days' written notice by first-class mail, postage prepaid, or on forty-eight (48) hours' notice delivered personally or by telephone, facsimile or Email.

5.3.3 Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of such notice to such Director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

5.4 Quorum; Authority

5.4.1 A majority of the then-serving Directors constitutes a quorum of the Board of Directors for the transaction of business except as otherwise hereinafter provided.

5.4.2 Except as otherwise provided in the Articles, in these Bylaws or by law, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors; provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken shall be approved by at least a majority of the required quorum for such meeting, or such greater number as is required by law, the Articles, or these Bylaws.

5.5 Voting by Directors

5.5.1 Each Director present shall have one vote that shall not be weighted in any way.

5.5.2 No Director may cast a vote by proxy.

5.6 Conflict of Interest

Members of the Board must identify such financial interest or other intent, and recuse themselves from any vote where the Member has a financial or other interest in the matter to be voted upon, whether individually, or due to the Member acting in any capacity with another organization.

5.6.1 Non-voting advisors to any Board committee must sign a conflict of interest statement which will be applied to any financial or other interest in any matters to come before the committee, whether individually, or due to the non-voting member acting in any capacity with another organization.

5.7 Conduct of Meetings; Adjournment

5.7.1 Members of the Board of Directors may participate in a meeting through the use

of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Such participation shall constitute personal presence at the meeting.

5.7.2 A majority of the Directors present at a properly called meeting, whether or not a quorum is present, may adjourn any meeting of the Board of Directors to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

5.8 Action Without Meeting

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors, individually or collectively, consent in writing to such action. The Executive Committee is also empowered to act on behalf of the Board of Directors in immediate and urgent situations. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

Article 6 - Officers

6.1 Titles, Election and Term

6.1.1 The Officers of the Corporation shall be a Chair of the Board, a Chair Elect of the Board, a Secretary, a Treasurer, and such other officers with such titles and duties as shall be determined by the Board and as may be necessary to enable it to sign instruments.

6.1.2 The Executive Director shall be a non-voting Officer of the Corporation and in that capacity shall have signature authority according to the guidelines of the Policies and Procedures Manual of the Corporation.

6.1.3 The Officers of the Corporation shall be elected annually at the last regular Directors meeting of each fiscal year of the Corporation.

6.1.4 Each Officer shall hold office from January 1 of each year until December 31 of the next year. In the event of a vacancy in any one of the offices, such vacancy shall be filled by the Board of Directors.

6.1.5 All Officers of the Corporation other than the Executive Director shall serve without compensation.

6.2 Duties of Officers

Each of the Officers shall perform such duties as may be assigned by the Board of Directors.

6.3 Resignation and Removal of Officers

Any Officer may resign at any time upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party. Officers may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of all of the Directors.

6.3.1 Board Members shall not be removed from the Board for questioning the truthfulness, lawfulness or integrity of the Board, Committees, Advisors, staff, or financial statements, i.e. "whistle-blowing."

Article 7 - Committees

7.1 Formation

The Board of Directors may, by resolution adopted by a majority of the number of Directors then in office, provided that a quorum is present, create one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board.

7.2 Authority

7.2.1 Any committee established by the Board of Directors pursuant to Paragraphs 5.7 and 7.1 shall exercise the powers delegated to it by the Board of Directors. The Board of Directors shall not, however, delegate to any committee, any authority with respect to:

- (a) The filling of vacancies on the Board of Directors, or on any committee which has the authority of the Board of Directors.
- (b) The fixing of the compensation of any compensated employee of the Corporation.
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws.
- (d) The appointment of committees of the Board of Directors or the members thereof.
- (e) The approval of any self-dealing transaction.

7.2.2 The activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

7.3 Committee Advisors

A committee may recommend the appointment of an Advisor to such committee. An Advisor would be a person who is not a member of the Board. The proposed Advisor must be approved by the Board, subject to any terms and conditions that the Board may attach to the Advisor's appointment. An Advisor shall not be a voting member of the Committee. An Advisor's appointment may be rescinded by the Board at any time.

7.4 Gift Annuity Committee

During such period that the Foundation holds a license as a grants and annuities society pursuant to California Insurance Code Sections 11520 through 11524 authorizing the Corporation to conduct a grants and annuities business, the Foundation shall appoint a Gift Annuity Committee. The Gift Annuity Committee shall be comprised of the Chair of the Board of Directors, the Chair of the Finance Committee, and such additional members as may be deemed necessary or appropriate from time to time by the Board of Directors. The Gift Annuity Committee shall be responsible for the conduct and management of the Corporation's activities as a Grants and Annuities Society pursuant to applicable provisions of the California Insurance Code.

7.5 Audit Committee

In every fiscal year in which line 12 of its IRS Form 990, or line 12(a) of its IRS Form 990PF, is expected to equal or exceed Two Million Dollars (\$2,000,000), the Board of Directors shall appoint one (1) or more of persons to constitute an Audit Committee and shall delegate to such Audit Committee any of the powers and authorities of the Board in the management of the business and affairs of the corporation as is required by law and such other duties and authority as is provided herein. Without limitation of the forgoing, the Audit Committee:

- A. Shall recommend to the Board of Directors the retention and termination of the independent auditor;
- B. May negotiate the compensation of the auditor on behalf of the Board;
- C. Shall confer with the auditor to satisfy the committee members that the financial affairs of the charitable organization are in order;
- D. Shall review and determine whether to accept the audit; and
- E. Shall approve performance of any nonaudit services by the auditing firm.

The Audit Committee may include non-board members. The Audit Committee may not include the Chief Executive Officer, President, Treasurer, Chief Financial Officer, employees of the corporation, or any person who has a material financial interest in any entity doing business with the corporation. Members of the finance committee may serve on the Audit Committee; however, the chairperson of the Audit Committee may not be a member of the finance committee and members of the finance committee shall constitute less than one-half of the membership of the Audit Committee.

7.6 Compensation Committee

In accordance with California Government Code Section 12586(g), the Board of Directors shall either appoint a Compensation Committee, or itself from time-to-time set as and itself serve as the Compensation Committee. The Compensation Committee shall review and approve the compensation, including benefits, of the chief executive officer or chief financial officer, to assure that each is just and reasonable. As to each of such officers, such review of an officer's compensation shall occur initially upon the hiring of such officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever such officer's

compensation is modified. Separate review and approval shall not be required if the only modification of compensation is a modification extended to substantially all employees.

During those periods that the offices of Chief Executive Officer and President, and/or Chief Financial Officer and Treasurer, are filled by volunteers, then to demonstrate its compliance with the spirit of California Government Code section 12586(g), the "just and reasonable" analysis and findings contemplated by this section shall be made as to the compensation paid to the Corporation's Executive Director and the Corporation's Finance Director.

Article 8 - Indemnification

8.1 Definitions

For the purposes of this Article 8, "agent" means any person who is or was a director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under this Article.

8.2 Indemnification in Actions by Third Parties

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

8.3 Indemnification in Actions by or in the Right of the Corporation

The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator

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

- (a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- (b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- (c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

8.4 Indemnification Against Expenses

To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Paragraph 8.2 or 8.3 or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

8.5 Required Determinations

Except as provided in Paragraph 8.4, any indemnification under this Article 8 shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Paragraph 8.2 or 8.3, by:

- (a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or
- (b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation.

8.6 Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article 8.

8.7 Other Indemnification

No provision made by the Corporation to indemnify its directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of directors, an agreement, or otherwise, shall be valid unless consistent with this Article 8. Nothing contained in this Article 8 shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

8.8 Forms of Indemnification Not Permitted

No indemnification or advance shall be made under this Article 8, except as provided in Paragraph 8.4 or 8.5(b), in any circumstances where it appears:

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

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

8.9 Insurance

The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article 8, provided, however, that a Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

8.10 Nonapplicability to Fiduciaries of Employee Benefit Plans

This Article 8 does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Paragraph 8.1. The Corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the Code.

Article 9 – Administrative

9.1 Fiscal Year

The fiscal year of the Corporation shall be established by resolution of the Board of Directors. Until changed by future action of the Board of Directors, the Corporation's fiscal year shall be the calendar year.

9.2 Records and Reports

The Corporation shall keep adequate and correct records of account and minutes of the proceedings of its Board of Directors and committees of the Board of Directors. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

Article 10 - Amendments

10.1 Articles and Bylaws

10.1.1 The Articles of Incorporation may be restated or amended by the approval of the Board of Directors except as may be otherwise required by law.

10.1.2 New Bylaws may be adopted or these Bylaws may be amended or repealed by the approval of the majority of the Board of Directors except as may otherwise be required by law.

CERTIFICATE OF SECRETARY

The undersigned does hereby certify that:

1. I am the duly elected and acting secretary of Rancho Santa Fe Foundation, a California corporation;
2. The foregoing bylaws constitute the bylaws of said Corporation as duly adopted by action of the Board of Directors of the Corporation duly taken on February 11, 2015.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 23 day of February, 2015.


Franci Free, Secretary