

BYLAWS OF BAYAN

A California Nonprofit Religious Corporation

ARTICLE I RELIGIOUS PURPOSES

Section 1. General Purpose. This corporation is a nonprofit religious corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Religious Corporation Law (the “Law”) for religious purposes.

This corporation is organized and shall be operated exclusively for religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law (the “Code”). Notwithstanding any other provision of these Bylaws, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Code Section 501(c)(3), or (b) by a corporation, contributions to which are deductible under Code Section 170(c)(2).

Section 2. Specific Purpose. The specific purpose of the corporation is to educate men and women as Islamic religious leaders, scholars and educators by providing a comprehensive higher learning center for Islam, Islamic theology and practice, and education in Islamic Studies. The corporation will educate leaders who are qualified and well-positioned to effectively present Islam to Muslims in the United States and the West, and to the world at large. These imams, chaplains, educators, and scholars will help serve the needs of Islamic communities, providing leadership in the context of the religiously and culturally pluralistic realities of modern society. Additionally, the corporation may engage in any activities that are reasonably related to or in furtherance of its stated religious purpose.

ARTICLE II OFFICES

Section 1. Principal Office. The principal office of the corporation for the transaction of the business of the corporation shall be fixed and located at such place within or without the State of California as the Board of Trustees (the “Board”) shall determine. By resolution, the Board is granted full power and authority to change such principal office from one location to another.

Section 2. Other Offices. Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE III MEMBERS

Section 1. Membership. The corporation shall, at all times, have nine (9) Members, consisting of seven (7) Continuing Members and two (2) Representative Members. The Continuing Members shall be individuals dedicated to the purposes of the corporation, and shall be selected as provided in these Bylaws. The Representative Members shall consist of two (2) individuals elected by the Board of Directors of the Islamic Center of Southern California. If the Islamic Center of Southern California should fail to elect the Representative Members, the two (2) Representative Members shall be the Chair of the Board and the Vice Chair of the Board of the Islamic Center of Southern California

(a) Initial Continuing Members. The initial Continuing Members of the corporation are:

- (1) Hala Alfi
- (2) Hedab Tarifi
- (3) Tanveer Hussain
- (4) Usman Mohammed
- (5) Elhami Nasr
- (6) Necva Ozgur
- (7) Hassan Zeenni

(b) Initial Representative Members. The initial Representative Members are:

- (1) Habib Veera
- (2) Shahbano Nawaz

(c) Automatic Removal of Representative Members. A Representative Member shall be removed as a Member if either: (1) the Islamic Center of Southern California informs the Corporation in writing that such Representative Member shall be removed; or (2) if the Representative Member is serving as a Member by reason of holding the office of Chair of the Board or Vice Chair of the Board of the Islamic Center, and such Representative Member ceases to serve in such office of the Islamic Center of Southern California. If the Islamic Center of Southern California ceases to exist, the Representative Members shall be removed as Members and the Corporation shall have only seven (7) Members which shall be the seven (7) Continuing Members.

Section 2. Powers. The following powers are reserved exclusively to the Members:

- (a) To approve the Bylaws of the corporation by a majority vote of the Members; provided, however, that the Bylaws shall not be effective until adopted by a majority vote of the Board;
- (b) To approve amendments to the Articles of Incorporation and the Bylaws of the corporation by a majority vote of the Members; provided, however, that any amendment shall not be effective until adopted by a majority vote of the Board;
- (c) To approve the merger or consolidation of the corporation with another corporation, organization or program, or the dissolution of the corporation;
- (d) To adopt the corporation's strategic plan by a majority vote of the Members after the Board has approved the corporation's strategic plan by a majority vote of the Board; and
- (e) To approve the nomination of individuals for election as Trustees by the Board of Trustees.

Section 3. Duration of Membership. A Continuing Member shall remain a Member for life, and a Representative Member shall remain a Member until his or her successor has been selected by the Board of the Islamic Center of Southern California.

Section 4. Replacement of Continuing Member. If a Continuing Member dies, becomes incapacitated, or resigns, the then serving Continuing Members shall appoint that Continuing Member's replacement by majority vote.

Section 5. Removal of Continuing Member. A Continuing Member may be removed by vote of at least six (6) then serving Members (Continuing Members and Representative Members). If a Continuing Member is so removed, the then serving Members shall appoint the removed Continuing Member's replacement by majority vote.

Section 6. Place of Meetings. All annual meetings of Members and all other meetings of Members shall be held in or around Los Angeles, California at a location designated by the majority of Members. Absent such designation or written consent, meetings shall be held at the principal executive office.

Section 7. Annual Meetings. The annual meeting of Members of this corporation shall be held on such date and at such time as may be designated from time to time by a majority of Members.

Section 8. Special Meetings. Special meetings of the Members, for any purpose whatsoever, may be called at any time by the Chair of the Board, by the President, by the Board, or by two (2) or more of the Members. Upon request in writing

specifying the general purpose of such meeting to the Secretary, by any person entitled to call a special meeting of Members, the Secretary shall cause notice to be given to the Members that a meeting will be held at the time requested by the person or persons requesting a meeting, which date shall be not less than five (5) nor more than ninety (90) days after the receipt by such officer of the request. No business shall be transacted at a special meeting unless its general nature shall have been specified in the notice of such meeting; provided, however, that any business may be validly transacted if the requirements for such validity are met.

Section 9. Notice of Special Meetings. Notice of special meetings of the Members shall be delivered (i) by overnight mail, (ii) personally, in writing, or (iii) by “electronic transmission by the corporation” (as defined below). Written notice shall be addressed or delivered to each Member at his or her physical or email address, as applicable, as it is shown upon the records of the corporation, or as may have been given to the corporation by the for purposes of notice, or, if such address is not shown on such records. “Electronic transmission by the corporation” means a communication (a) delivered by (1) facsimile or email when directed to the facsimile number or email address, respectively, for that recipient on record with the corporation, (2) posting on an electronic message board or network which the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof, or (3) other means of electronic communication, (b) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to the Law, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notice delivered by overnight mail shall be deemed to have been given upon receipt. Written notice given personally shall be deemed to have been given at the time it is personally delivered. Notice by electronic transmission by the corporation shall be deemed given when actually transmitted by electronic means by the person giving the notice to the recipient.

Section 10. Presiding Member. At each meeting of the Members, the presiding Member shall be an individual as the Members may from time to time determine.

Section 11. Quorum. The presence at a meeting of a majority of the persons entitled to vote constitutes a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of such number of Members so as to leave less than a quorum; provided, however, that any action taken during such time, other than adjournment, shall be valid only if approved by at least a majority of the Member votes required to constitute a quorum. The affirmative vote of a majority of the Members present a meeting at which a quorum is present, shall be the act of the Members.

Section 12. Action Without Meeting -- Written Consent. Any action which, under any provision of the California Nonprofit Religious Corporation Law, may be taken at a meeting of the Members, may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by all Members.

Section 13. Participation in Meetings by Conference Telephone. At all meetings of Members, Members may participate in any meeting through a video or telephone conference, so long as all Members participating in the meeting can hear one another.

Section 14. Special Meetings by Electronic Mail. Meetings may be conducted by electronic mail using the procedure described in this Section. The notice given of a meeting to be conducted by electronic mail shall contain the proposed action to be taken at the meeting and may be accompanied by other material pertaining to the proposed action. The notice shall include:

- (a) Instructions to Members to use the “reply all” electronic mail function to ensure that each Member participating in the meeting can communicate with all the other Members concurrently;
- (b) A notice that each Member may participate in all matters including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken;
- (c) A deadline for the conclusion of the period for discussion of any action proposed to be taken at the meeting, together with a deadline following that period before which all votes by Members on that proposed action must be transmitted.

Following a meeting by electronic mail, the presiding Member shall notify the Board or Committee of the number of Members who participated in the meeting (determined either by participation in the pre-vote discussion or by the casting of a vote); that a quorum was thereby considered to be present; the number of votes cast in favor of the action; and the passage or failure of each action item.

ARTICLE IV

TRUSTEES

Section 1. Powers. Subject to the limitations of the corporation’s Articles of Incorporation (the “Articles”), these Bylaws, and the Law, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors. By convention, the board shall be referred to as the Board of Trustees and directors, for purposes of the Law, shall be referred to as Trustees. The Board 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. Subject to the same limitations, the Board shall have all powers permitted to or conferred by the Law on the board of directors of a nonprofit religious corporation.

Section 2. Number of Trustees. The number of Trustees shall consist of not less than seven (7) nor more than twenty-five (25), with the exact number of Trustees to be fixed within such limits by resolution of the Board as enacted from time to time.

Section 3. Nomination and Term of Office. The President shall serve as an *ex officio* Trustee (and therefore shall be considered a Trustee for all purposes, including but not limited to, being counted toward the minimum and maximum number of Trustees pursuant to Article IV, Section 2 above, being counted toward the minimum number of Trustees that must serve on a committee, etc.). Each of the remaining Trustees for the Board must be nominated pursuant to the following procedure. From time to time, the Nomination Committee shall propose a list of nominees for each vacant Trustee position. This list will be submitted to the Members, who may approve none, some, or all of the proposed nominees. The nominees approved by the Members shall be submitted by the Members to the Board, and shall be approved or rejected by the Board pursuant to Article IV, Section 6, below. Each Trustee shall hold office for a term of three (3) years and until a successor has been nominated and elected. A Trustee whose term is expiring may be re-nominated (pursuant to the procedures set forth in this Section 3) and re-elected, but in no event shall a Trustee hold office for more than three (3) consecutive terms. When a Trustee has served three (3) consecutive terms, he or she shall not be allowed to serve as a Trustee until one (1) year has passed. For certain initial Trustees, by resolution, the Board may arrange for terms to be staggered, including by establishing one or two year terms. If the number of Trustees falls below the minimum number of Trustees required under these Bylaws (Article IV, Section 2) because the Nomination Committee has failed to identify or nominate persons or for any other reason whatsoever, then notwithstanding any other provision of the Bylaws to the contrary, the Members shall nominate and elect such number of Trustees to achieve the minimum amount required under these Bylaws.

Section 4. Resignation. Any Trustee may resign effective upon giving written notice to the Chair of the Board or the Board, unless the notice specifies a later time for the effectiveness of such resignation; provided, however, that a Trustee may not resign without permission of the Attorney General in a case where the corporation would be left without a duly elected Trustee in charge of its affairs. If the resignation is effective at a future time, a successor may be elected before such time, to take office when the resignation becomes effective.

Section 5. Removal. Any Trustee may be removed with or without cause by the affirmative vote of a majority of the Trustees.

Section 6. Vacancies. Vacancies in the Board shall be filled by the affirmative vote of a majority of the Trustees. Each Trustee so elected shall hold office until the expiration of the term of his or her predecessor and until his or her successor has been elected and qualified.

A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation, or removal of any Trustee, or if the authorized number of Trustees is increased. The Board may declare vacant the office of a Trustee who has been declared of unsound mind by a final order of court, is convicted of a felony, or is found by a final order of judgment of any court to have breached a duty to the corporation arising under Chapter 2, Article 3, of the Law.

Section 7. Interested Trustees. Not more than 49% of the persons serving on the Board at any time may be interested persons. An “interested person” is (1) any person being compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Trustee as Trustee; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, and sister-in-law of any such person. Notwithstanding the foregoing, any violation of the provisions of this Section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 8. Place of Meeting. Regular or special meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation.

Section 9. Regular Meetings. Regular meetings of the Board shall be held without call or notice on such dates and at such times as may be fixed by the Board. Such regular meetings shall include an annual meeting to elect Trustees then up for election, and to conduct all other business as may properly come before the Board. The annual meeting shall take place at such time and place as determined by resolution of the Board.

Section 10. Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the President, the Secretary, Chair of the Board, or any two (2) Trustees.

Notice of special meetings of the Board shall be delivered (i) by overnight mail, (ii) personally, in writing, or (iii) by “electronic transmission by the corporation” (as defined below). Written notice shall be addressed or delivered to each Trustee at his or her physical or email address, as applicable, as it is shown upon the records of the corporation, or as may have been given to the corporation by the for purposes of notice, or, if such address is not shown on such records. “Electronic transmission by the corporation” means a communication (a) delivered by (1) facsimile or email when directed to the facsimile number or email address, respectively, for that recipient on record with the corporation, (2) posting on an electronic message board or network which the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof, or (3) other means of electronic communication, (b) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to the Law,

and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notice delivered by overnight mail shall be deemed to have been given upon receipt. Written notice given personally shall be deemed to have been given at the time it is personally delivered. Notice by electronic transmission by the corporation shall be deemed given when actually transmitted by electronic means by the person giving the notice to the recipient.

Section 11. Waiver of Notice. Notice of a meeting need not be given to any Trustee 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 notice to such Trustee. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 12. Quorum. A majority of the Trustees then in office constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 15 of this Article. All matters shall be decided by the vote of a majority of Trustees present at a meeting duly held at which a quorum is present, and every such act or decision shall be the act of the Board, unless a greater number is required by Law, the Articles or these Bylaws. Without limiting the foregoing, the actions listed in Sections 1(a) through 1(g) of Article V shall require the vote of a majority of all Trustees then in office in order to be effective. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Trustees, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 13. Participation in Meetings by Conference Telephone. Trustees of the Board may participate in any meeting through a video or telephone conference, so long as all Trustees participating in the meeting can hear one another.

Section 14. Special Meetings by Electronic Mail. Meetings may be conducted by electronic mail using the procedure described in this Section. The notice given of a meeting to be conducted by electronic mail shall contain the proposed action to be taken at the meeting and may be accompanied by other material pertaining to the proposed action. The notice shall include:

(a) Instructions to Trustees to use the “reply all” electronic mail function to ensure that each Trustee participating in the meeting can communicate with all the other Trustees concurrently;

(b) A notice that each Trustee may participate in all matters before the Board or Committee including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the Board or Committee;

(c) A deadline for the conclusion of the period for discussion of any action proposed to be taken at the meeting, together with a deadline following that

period before which all votes by Trustees on that proposed action must be transmitted.

Following a meeting by electronic mail, the Chair shall notify the Board or Committee of the number of who participated in the meeting (determined either by participation in the pre-vote discussion or by the casting of a vote); that a quorum was thereby considered to be present; the number of votes cast in favor of the action; and the passage or failure of each action item.

Section 15. Adjournment. A majority of the Trustees present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Trustees if the time and place is fixed at the meeting adjourned, except that if the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the reconvened meeting to the Trustees who were not present at the time of adjournment.

Section 16. Action Without Meeting. Any action, which, under any provision of the California Nonprofit Religious Corporation Law, may be taken at a meeting of the Board, may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by all Trustees.

Section 17. Rights of Inspection of Trustees and Members. Every Trustee and every Member shall have the absolute right at any reasonable time to inspect and copy any and all books, records, and documents of every kind of the corporation, and to inspect the physical properties of the corporation.

Section 18. Compensation. Aside from the President, Trustees and members of committees shall not receive any compensation for their services but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the Board. Nothing shall preclude any Trustee from serving the corporation in any other capacity and receiving reasonable compensation for such services.

ARTICLE V COMMITTEES

Section 1. Board Committees. The Board may designate and appoint one or more committees, each consisting of at least two (2) Trustees and any number of non-Trustee members, and delegate to such committees any of the authority of the Board except with respect to:

- (a) The filling of vacancies on the Board or in any committee;
- (b) The fixing of compensation of the Trustees for serving on the Board or on any committee;

- (c) The amendment or repeal of bylaws or the adoption of new bylaws;
- (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) The appointment of committees of the Board or the members thereof;
- (f) The approval of any self-dealing transaction, as defined in Section 9243(a) of the California Nonprofit Public Benefit Corporation Law, except as provided in Section 9243(d)(3) of such law;
- (g) The expenditure of corporate funds to support a nominee for Trustee after there are more people nominated for Trustee than can be elected.

Any such committee must be established and the members thereof appointed, by resolution adopted by a majority of the number of Trustees then in office, and such committee may be designated by any name the Board shall specify. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article applicable to meeting and actions of the Board. Minutes shall be kept of each meeting of each committee.

Section 2. Standing Committees. The Corporation shall have the following Standing Committees, each consisting of at least three Trustees and any number of non-Trustee members:

- (a) Executive Committee;
- (b) Nomination Committee;
- (c) Audit Committee;
- (d) Academic Committee; and
- (e) Finance and Budget Committee.

At the first Board meeting of each calendar year, the President may recommend, but the Board shall appoint to one-year terms the Chair, Co-chair and Membership of the Standing Committees, other than the Executive Committee. For the Executive Committee, the Trustees that serve as members are set forth in Article V, Section 3 below, and with respect to the non-Trustee members, the President may recommend, but the Board shall appoint the non-Trustee members to the Executive Committee.

The Chair of each Standing Committee shall be limited to four consecutive terms of service. If unusual circumstances present themselves, the appointment of any committee chairman may be extended beyond this limit if approved by a two-thirds vote of all Trustees.

Each Standing Committee shall consist of at least three members. Any vacancy occurring in the Standing Committees may be filled for the unexpired term by appointment by the President, with approval by the Board, at any regular meeting.

The President shall be an *ex officio* member of all Standing Committees, except the Audit Committee.

Section 3. Executive Committee.

(a) Members. The Executive Committee of the Board of Trustees shall be composed of the following board members: the Chair of the Board of Trustees, the Chairs of the Nomination Committee, Audit Committee, Academic Committee, and Finance and Budget Committee, such other Trustees as may be nominated by the Nomination Committee and approved by the Members, and non-Trustee members approved by the Board. The number of non-Trustee members that may serve on the Executive Committee is limited to a maximum of three (3). The Chair of the Board of Trustees shall serve as the Chair of the Executive Committee.

(b) Powers and Duties. The Executive Committee shall have and may execute to the fullest extent permissible by law all of the powers of the Board of Trustees of the Corporation, provided, however, that the Executive Committee shall not have the right:

(1) To incur obligations binding upon the Corporation in the aggregate in excess of \$100,000, or a different amount as determined by resolution of the Board of Trustees, until the next meeting of the Board of Trustees;

(2) To adopt, amend, or repeal Bylaws;

(3) To dispose of real property;

(4) To determine the general policies of the Corporation;

(5) To elect or remove the President of the Corporation;

(6) To elect members of the Board of Trustees;

(7) To fix any compensation of the Trustees for serving on the Board of Trustees or on any committee of the Board of Trustees;

(8) To amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

(9) To appoint committees of the Board or the members thereof;

(10) To approve the expenditure of funds of the Corporation to support any nominee for Trusteeship of the corporation; or

(11) To approve any transaction in which any member of such Committee has any financial interest, except in compliance with California Corporations Code Section 5233 (d) (3).

Minutes of Executive Committee meetings shall be submitted to the next meeting of the Board of Trustees.

(c) Quorum. A majority of the Executive Committee shall constitute a quorum.

Section 4. Nomination Committee.

(a) Annually, and as vacancies may occur from time to time, the Nomination Committee shall nominate individuals to serve as Trustees of the Corporation. The Nomination Committee shall present the names and qualifications of such nominated individuals to the Members for approval.

(b) The Nomination Committee may, but shall not be required to, appoint one or more Trustees to serve as an at-large member of the Executive Committee. The Nomination Committee shall present the names and qualifications of such nominated individuals to the Board for approval.

(c) For all positions not otherwise filled by direction of these Bylaws, the Nomination Committee shall be responsible for presenting the names of an individual or individuals qualified to fill such position for approval by the Board of Trustees.

Section 5. Audit Committee

(a) If required by California law or by an applicable accrediting agency of the corporation, the Audit Committee shall be responsible for having an annual audit of the Corporation's financial statements performed by a firm of independent Certified Public Accountants. The Committee shall review and approve the scope of the audit, the fee, the annual report, the management letter and follow-up corrective actions. It shall meet privately with the auditors concerning the quality of financial personnel, the adequacy of internal controls, any auditors' concerns or other matters the auditors feel should be brought to the attention of the Committee and to answer any questions the Committee may have.

(b) Subject to the supervision of the Board of Trustees, the Audit Committee shall be responsible for recommending to the Board of Trustees the retention and termination of the independent auditor and may negotiate the independent auditor's compensation, on behalf of the Board of Trustees. The Audit Committee shall confer with the auditor to satisfy its members that the financial affairs of the corporation are in order, shall review and determine whether to accept the audit, shall assure that any nonaudit services performed by the auditing firm conform with standards for auditor independence, and shall approve performance of nonaudit services by the auditing firm.

(c) The Committee's duties, powers and procedures shall be further specified in an Audit Committee Charter, which shall be approved by, and may be amended from time to time by, the full Board of Trustees.

(d) At the time of his or her appointment to the Committee, each member of the Committee shall be able to read and understand fundamental financial statements, including a balance sheet, cash flow statement and income statement.

(e) No officer of the corporation may serve on the Audit Committee, and the Chair of the Finance Committee may not serve on the Audit Committee. More than one-half of the Audit Committee must consist of Trustees who are not members of the Finance Committee. Members of the Audit Committee shall not receive any compensation from the corporation in excess of the compensation, if any, received by members of the Board of Trustees or service on the Board and shall not have a material financial interest in any entity doing business with the corporation.

Section 6. Academic Committee.

(a) The Academic Committee shall be responsible for recommending policies to the Board of Trustees regarding the academic programs of the Corporation. The Committee shall review recommendations of the President regarding any substantive academic program changes and make recommendations to the Board of Trustees.

(b) The Committee shall review recommendations regarding the granting of faculty tenure and make recommendations to the Board of Trustees.

(c) The Committee shall make recommendations to the Board of Trustees regarding the adoption or modification of the Faculty Handbook, which defines the terms of employment of the faculty.

(d) The Committee shall be responsible for making recommendations to the Board of Trustees for awarding honorary degrees and other honors as determined by the Committee. Honorary degrees shall be awarded on the basis of nomination by the Committee after approval by the faculty and Board of Trustees.

Section 7. Finance and Budget Committee

(a) The Finance and Budget Committee shall review, approve and recommend to the Board of Trustees management's proposed annual budgets for operations, capital expenditures, and financial management. Submission shall be to the Board of Trustees by the May meeting each year.

(b) The Committee shall monitor on a continuing basis through appropriate control reports and meetings, management's performance against the approved plans for operating performance, cash management, and capital expenditures.

(c) No loans shall be made to any Trustee, Member, officer, or employee of the Corporation or to any religious, fraternal or charitable organization, unless expressly approved by a vote of the Board of Trustees.

Section 8. Advisory Committees. The Board may, by resolution adopted by a majority of the Trustees then in office, create one or more advisory committees to serve at the pleasure of the Board. Each advisory committee shall have at least one (1) Trustee as a member at all times. Other appointments to such advisory committees need not, but may, be Trustees. The Board shall appoint and discharge advisory committee members at will. All actions and recommendations of an advisory committee shall require ratification by the Board before being given effect.

ARTICLE VI
OFFICERS

Section 1. Required Officers. The officers of the corporation shall be a Chair of the Board, a President, a Secretary and a Chief Financial Officer, each of whom shall be chosen by and hold office at the pleasure of the Board. Any number of offices required or permitted by this Article may be held by the same person, except that the Secretary and Chief Financial Officer may not serve concurrently as President or Chair of the Board.

Section 2. Permitted Officers. The Board may choose one or more additional Vice Presidents, one or more Assistant Secretaries, one or more Assistant Financial Officers, one or more Vice Chairs, and such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board at its pleasure may from time to time determine.

Section 3. Election and Terms of Officers. The officers shall be elected by the Board at the annual meeting, or at any regular or special meeting of the Board. The President shall serve for a term as provided by an agreement approved by the Board of Trustees. Aside from the office of President, each person elected as an officer shall continue in office for two (2) years or until his earlier death, resignation or removal in accordance with these Bylaws, and officers may succeed themselves in office for up to, but not to exceed, two (2) consecutive terms. Vacancies of officers caused by death,

resignation, removal or increase in the number of officers may be filled by the Board at a regular or special meeting.

Section 4. Removal of Officers. Any officer may be removed at any time with or without cause and with or without notice by the affirmative vote of the Board.

Section 5. Chair of the Board. The Chair of the Board shall preside at all meetings of the Board of Trustees, and shall have such other powers and perform such other duties as may be delegated by the Board from time to time.

Section 6. President. Subject to the discretion and control of the Board, the President shall be the chief executive officer of the corporation and shall have general supervision, direction and control over the affairs and property of the corporation and over its several officers, and shall have such other powers and perform such other duties as may be delegated by the Board from time to time. In the absence of the Chair of the Board, the President shall preside at all meetings of the Board. Prior to the accreditation of the corporation by the Western Association of Schools and Colleges (the "WASC"), the President shall be referred to as the President-Designate, and the President-Designate shall have all powers and authority given to the President.

Section 7. Secretary. The Secretary shall be the custodian of the seal of the corporation and of the books and records and files thereof. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a minute book of all meetings of the Board and its committees. The Secretary shall also keep, or cause to be kept, at the principal office in the State of California the original or a copy of the Articles of Incorporation and Bylaws of the corporation, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committee thereof required by these Bylaws or by law to be given, and shall have such other powers and perform such other duties as may be delegated by the Board.

Section 8. Chief Financial Officer. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including, without limitation, accounts of its assets, liabilities, receipts and disbursements, and shall send or cause to be sent to the Trustees of the corporation such financial statements and reports as are by law or these Bylaws required to be sent to them. The Chief Financial Officer shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the corporation and such depositories as may be designated by the Board. The Chief Financial Officer shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President or the Trustees, whenever requested, an account of all transactions and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be delegated by the Board.

Section 9. Compensation. The Board shall decide all matters relating to the compensation of any officer. No salaried officer serving on the Board shall be permitted to vote on his or her own compensation as an officer. The Board, or an authorized Board Committee, shall review and approve the compensation, including benefits, of the

President and the Chief Financial Officer to assure that it is just and reasonable. This review and approval 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 the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees. If the corporation is affiliated with other charitable corporations, the requirements of this Section 9 shall be satisfied if review and approval is obtained from the Board, or an authorized committee of the Board, of the charitable corporation that makes retention and compensation decisions regarding a particular individual.

ARTICLE VII
INDEMNIFICATION OF AGENTS OF THE CORPORATION:
LIABILITY INSURANCE

Section 1. The corporation shall indemnify any person who was or is a party or 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 9243 of the 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 a charitable trust) by reason of the fact that such person is or was an Agent, 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 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 such person did not act in good faith and in a manner which such person believed to be in the best interests of the corporation, or that such person had reasonable cause to believe that such person's conduct was unlawful.

Section 2. The corporation 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 by or in the right of the corporation or brought under Section 9243 of the 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 a charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an Agent, 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, except that no indemnification shall be made under this Section 2: (i) 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 duties 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 circumstances of the case, such person is fairly and reasonably entitled to indemnity for the Expenses which such court shall determine; (ii) of amounts paid in settling or otherwise disposing of a threatened or pending action, with

or without court approval; or (iii) of Expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

Section 3. To the extent that an Agent of the corporation has been successful on the merits in defense of any Proceeding referred to in Section 1 or Section 2 hereof 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.

Section 4. Except as provided in Section 3 hereof any indemnification under this Article VII shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the Agent is proper in the circumstances because the Agent has met the applicable standard of conduct set forth in Section 1 or Section 2 hereof by:

(i) a majority vote of a quorum consisting of Trustees who are not parties to such Proceeding; or (ii) the court in which such Proceeding is or was pending upon application made by the corporation, 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.

Section 5. 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 VII.

Section 6. No indemnification or advance shall be made under this Article VII except as provided in Section 3 or clause (ii) of Section 4, in any circumstance where it appears: (i) that it would be inconsistent with a provision of the Articles of Incorporation of the corporation, 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 (ii) that it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7. The corporation shall have power to purchase and maintain insurance on behalf of any Agent 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 VII; provided, however that the corporation shall have no power to purchase and maintain such insurance to indemnify any Agent for a violation of Section 9243 of the Law.

Section 8. For the purposes of this Article VII, (i) "Agent" means any person who is or was a Trustee, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a Trustee, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other

enterprise, or was a Trustee, 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; (ii) "Attorney General" means the Attorney General of the State of California; (iii) "Expenses" includes without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 3 or clause (ii) of Section 4; and (iv) "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative.

ARTICLE VIII REPORTS

No later than one hundred twenty (120) days after the close of the corporation's fiscal year, the corporation shall furnish to all of the Trustees a report containing the following information in reasonable detail:

1. The assets and liabilities, including the trust funds, of the corporation as of the end of the preceding fiscal year.
2. The principal changes in assets and liabilities, including trust funds, during the preceding fiscal year.
3. The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the preceding fiscal year.
4. The expenses or disbursements of the corporation, for both general and restricted purposes, during the preceding fiscal year.
5. With respect to the preceding fiscal year, (a) any transaction(s) involving both (i) the corporation and either a Trustee or officer of the corporation (or its parent or subsidiary) and (ii) more than \$50,000; or (b) any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Trustee of the corporation.

The report required by this Article 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 corporation that such reports were prepared without audit from the books and records of the corporation.

ARTICLE IX OTHER PROVISIONS

Section 1. Inspection of Articles and Bylaws. The corporation shall keep in its principal office in the State of California the original copy of its Articles of Incorporation and of these Bylaws, as amended to date, which shall be open to inspection by the Trustees and Members and such other persons as required by law, at all reasonable times during office hours.

Section 2. Endorsement of Documents: Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the Chair of the Board, the President, or any Vice President and the Secretary or any Assistant Secretary of the corporation, shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, but, unless so authorized by the Board, no such person or persons shall have any power or authority to bind the corporation by any contract or engagement to pledge its credit or to render it liable for any purpose or amount.

Section 3. Representation of Shares of Other Corporations. The President or any other officer or officers authorized by the Board or the President are each authorized to vote, represent, and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any such officer in person or by any person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 4. Loans to Trustees and Officers. The corporation shall not make any loan of money or property to or guarantee the obligation of any Trustee or officer, unless approved by the Attorney General; provided, however, that the corporation may advance money to a Trustee or officer of the corporation or of its parent or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such Trustee or officer, provided that in the absence of such advance, such Trustee or officer would be entitled to be reimbursed for such expenses by the corporation, its parent, or any subsidiary. The provisions of this Section 4 do not apply to (1) the payment of premiums in whole or in part by the corporation on a life insurance policy of a Trustee or officer so long as repayment to the corporation of the amount paid by it is secured by the proceeds of the policy and its cash surrender value; or (2) a loan of money to or for the benefit of an officer in circumstances where it is necessary, in the judgment of the Board, to provide financing for the purchase of the principal residence of the officer in order to secure the services or continued services of the officer and the loan is secured by real property located in the state of California.

Section 5. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in Part 1 of the California Nonprofit Corporation Law and in the Law shall govern the construction of these Bylaws. Section references refer to sections in such Article unless otherwise noted.

Section 6. Amendments. These Bylaws may be amended or repealed, with the prior approval of the Members, by the affirmative vote of a majority of the number of Trustees then in office.

Section 7. Nondiscriminatory Policy as to Students. Bayan admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.