

# **BYLAWS OF BASQUE EDUCATIONAL ORGANIZATION**

## **Article I**

### **PRINCIPAL OFFICE**

The principal office of this corporation shall be located in the City and County of San Francisco at an address to be determined by resolution of the board of directors.

## **Article II**

### **MEMBERSHIP**

This corporation shall have no voting members, but the board of directors may, by resolution, establish classes of non-voting members and provide for eligibility and rights and duties, including the obligation to pay dues.

## **Article III**

### **BOARD OF DIRECTORS**

**Section 1.** Powers. This corporation shall have powers to the full extent allowed by law. All powers and activities of this corporation shall be exercised and managed by the board directly or, if delegated, under the ultimate direction of the board.

**Section 2.** Number of Directors. The authorized number of directors shall be ten (10).

**Section 3.** Election and Term of Office of Directors. Each director shall be elected for a term of two (2) years. Each director shall hold office until the expiration of the term for which elected and until a successor has been qualified. A majority of the directors shall be members of the Basque Cultural Center.

**Section 4.** Vacancies. A vacancy shall be deemed to exist in the event that the actual number of directors is less than the authorized number for any reason. Resignation shall be effective upon receipt of written notice by the secretary. The board may remove any

director with or without cause. Vacancies may be filled by the board for the un-expired portion of the term.

**Section 5. Annual Meeting.** A meeting of the board of directors shall be held at least once a year. Annual meetings shall be called and noticed in the same manner as special meetings.

**Section 6. Special Meetings.** Special meetings of the board of directors may be called by the president or by any two directors. Special meetings shall be held at the date, place and time stated in the written notice.

**Section 7. Notice.** Written notice of the Annual Meeting and any special meetings of the board of directors shall be given to each director at least four (4) days before any such meeting. The notice shall be delivered personally or by first-class mail or by telegram.

**Section 8. Waiver of Notice.** The transactions of any meeting of the board of directors, however, called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present, and 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 before or at its commencement about the lack of adequate notice.

**Section 9. Quorum.** A majority of the 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 provided in Article III, Section 13C, and Article VI, Section 6. 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.

**Section 10. 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 action by written consent shall have the same force and effect as the unanimous vote of such directors.

**Section 11. Telephone Meetings.** Members of the board may participate in a meeting through use of conference telephones or similar communications equipment so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

## **Section 12. Standard of Care.**

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

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

1. One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;
2. Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or
3. A committee of the board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit 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.

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

**B. Investments.** Except with respect to assets held for use or used directly in carrying out this corporation's charitable activities, in investing, reinvesting, purchasing, or acquiring, exchanging, selling and managing this corporation's investments, the board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the prob-able safety of this corporation'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 corporation.

### **Section 13. Prohibited Transactions.**

**A. Loans.** This corporation shall not make any loan of money or property to or guarantee the obligation of any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

**B. Self-Dealing Transaction.** Except as provided in Subsection C below, the board shall not approve a self-dealing transaction. A self-dealing transaction is a transaction to which the corporation is a party and in which one or more of the directors has a material financial interest.

**C. Approval.** The board of directors may approve a self-dealing transaction if the board determines that (1) the corporation enters into the transaction for its own benefit; (2) the transaction is fair and reasonable to the corporation; and (3) after reasonable investigation, the board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the board, in good faith, with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors. Notwithstanding any provision above to the contrary, no self-dealing transaction may be entered into or approved if it violates Section 4941 of the Internal Revenue Code of 1954.

**Section 14. Indemnification.** This corporation shall provide indemnification to the full extent allowed by law. The board of directors may adopt a resolution authorizing the purchase of 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 this corporation would have the power to indemnify the agent against the liability under law.

**Section 15. 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 corporation.

**Section 16. Compensation.** The board of directors may, by resolution, pay a director a reasonable fee for services as director and expenses for attending meetings of the board and its committees.

## Article IV

### COMMITTEES

**Section 1.** Committee of Directors. The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Appointments to such committees shall be by majority vote of the directors then in office. Any such committee, to the extent provided in the resolution, may have all the authority of the board, except that no committee, regardless of board resolution, may:

- (a) Fill vacancies on the board of directors or on any committee;
- (b) Fix compensation of directors for serving on the board or any committee;
- (c) Amend or repeal bylaws or adopt new bylaws;
- (d) Amend or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;
- (e) Appoint any other committees of the board of directors or the members of these committees;
- (f) Spend corporate funds to support a nominee for director after there are more people nominated for director than can be elected.

**Section 2.** Meetings. Meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of Article III of these bylaws concerning meetings of directors, with such changes in the content of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The board of directors shall adopt rules for the governance of any committee not inconsistent with the provisions of these bylaws.

## Article V

### OFFICERS

**Section 1.** Officers. The officers of this corporation shall be chairman, vice chairman, secretary and treasurer. The corporation may also have, at the discretion of the directors, such other officers as may be appointed by the directors. 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 or chairman of the board.

**Section 2. Election.** The officers of this corporation shall be chosen annually by the directors, and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

**Section 3. Removal.** Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the board of directors at any meeting of the board or, except in the case of an officer chosen by the board, by an officer on whom such power of removal may be conferred by the board of directors.

**Section 4. Resignation.** Any officer may resign at any time by giving written notice to this corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

**Section 5. Vacancies.** A vacancy in any office for any reason shall be filled in the manner described in these bylaws for regular appointments to that office.

**Section 6. Chairman.** The chairman shall be the chief executive officer of the corporation and shall, subject to control of the board, generally supervise, direct and control the business and the officers of the corporation. The chairman shall preside at all meetings of the board of directors. The chairman shall be a member of all committees and shall have the general powers and duties of management usually vested in the office of chairman of the corporation and shall have such other powers and duties as may be prescribed by the board or by the bylaws.

**Section 7. Vice Chairman.** In the absence of the chairman, the vice chairman shall preside at meetings of the board of directors and shall exercise and perform such other powers and duties as may be from time to time assigned by the board or prescribed by the bylaws.

**Section 8. Secretary.** The secretary shall supervise the keeping of a full and complete record of the proceedings of the directors, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the books of the corporation, and shall discharge such other duties as pertain to the office or as prescribed by the directors.

**Section 9. Treasurer.** The treasurer shall supervise the charge and custody of all funds of the corporation, shall supervise the deposit of such funds in the manner required by the

trustees, shall supervise the keeping and maintaining of adequate and correct accounts of the corporation's properties and business transactions, shall render reports and accountings as required, and shall discharge such other duties as pertain to the office or as prescribed by the directors.

## **Article VI**

### **MISCELLANEOUS**

**Section 1.** Fiscal Year. The fiscal year of this corporation shall end each year on December 31.

**Section 2.** Corporate Seal. This corporation shall have a seal which shall be specified by resolution of the board of directors. The seal shall be affixed to all corporate instruments, but failure to affix it shall not affect the validity of the instruments.

**Section 3.** Contracts. All contracts entered into on behalf of this corporation must be authorized by the board of directors, by the executive committee or by the chairman.

**Section 4.** Execution of Checks. Except as otherwise provided by law, every check, draft, promissory note, money order or other evidence of indebtedness of the corporation shall be signed by such individuals as are authorized by the chairman.

**Section 5.** Reports to Directors. The chairman shall furnish a written report annually to all directors of this corporation containing the following information:

(1) The assets and liabilities, including the trust funds of this corporation as of the end of the fiscal year:

(2) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(3) The revenue or receipts of this corporation, both unrestricted and restricted for particular purposes, for the fiscal year;

(4) The expenses or disbursements of this corporation, for both general and restricted purposes, during the fiscal year;

(5) Any transaction during the previous fiscal year involving Fifty Thousand Dollars (\$50,000.00) or more between this corporation and any director or officer. The report must disclose the names of the interested persons involved in such transaction, stating

such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest.

**Section 6.** Amendments. Proposed amendments to these bylaws shall be submitted in writing to the directors at least one (1) week in advance of the board meeting at which they will be considered for adoption. The vote of two thirds (2/3) of the directors' present at any meeting shall be required to adopt a bylaw amendment.