

BYLAWS

OF

COAST COMMUNITY COLLEGE DISTRICT

ENTERPRISE, INC.

ARTICLE I
CORPORATION

1.1 Principal Executive Offices.

Coast Community College District Enterprise, Inc. (“Corporation”) shall have its principal executive office in the City of Costa Mesa, State of California, and may have offices at such other places within this State as the Board of Directors may from time to time designate. The Board of Directors may at any time change the location of the principal executive office from one location to another by resolution.

1.2 Close Corporation.

The Corporation is a close corporation; no shares and no securities evidencing the right to acquire shares shall be issued by means of public offering, solicitation, or advertisement. Holders of shares of the Corporation shall be limited to: (1) the Coast Community College District (“District”); and (2) the Coast Community College District Foundation, Inc. (“Foundation”).

1.3 Functions and Purpose of the Corporation.

The function of the Corporation is for the sole purpose of providing commercial services for the benefit of the District and its colleges, pursuant to Section 72670(c) of the *Education Code* and Section 59257(j)(2) of Title 5 of the *California Code of Regulations*.

1.4 Services and Programs.

In furtherance of its purpose, the Corporation may operate swap meets at the District’s colleges. All other educational and student services functions at the colleges are to be performed exclusively by the District. The Corporation may not accept any grant, contract, bequest, trust, or gift unless it is so conditioned that it may be used only for purposes consistent with these Bylaws, any agreement with the District, the District’s policies and procedures, and law.

1.5 Legal Compliance.

The Corporation shall operate only in compliance with District policy and regulations, including Board Policy 3600, as they currently exist or as they may be amended, and with provisions of law pertaining to auxiliary organizations of community college districts, Sections 72670 et. seq. of the *Education Code* and Sections 59255 et. seq. of Title 5 of the *California Code of Regulations*.

ARTICLE II
SHAREHOLDERS

2.1 Place of Meeting.

Meetings of the Shareholders of this Corporation shall be held at any place designated by the Board of Directors that is within the geographical jurisdiction of the District. In the absence

of any such designation, Shareholders' meetings shall be held at the principal executive office of the Corporation. Meetings of the Shareholders of the Corporation shall be subject to the Ralph M. Brown Act, Sections 54950 *et. seq.* of the *Government Code*, and the Corporation shall be subject to the California Public Records Act, Sections 6250 *et. seq.* of the *Government Code*, except as otherwise provided in District policy. Minutes shall be kept of all Shareholder meetings.

2.2 Annual Meeting.

The annual meeting of the Shareholders shall be held each year on a date and at a time designated by the Board of Directors. At each annual meeting, Directors may be elected and any other proper business may be transacted which is within the powers of the Shareholders.

2.3 Special Meeting.

A special meeting of the Shareholders may be called at any time and for any purpose by the Board of Directors, the President of the Corporation, or the holders of at least ten percent of the outstanding shares. Only business within the purpose or purposes described in the meeting notice may be conducted at a special Shareholders meeting.

2.4 Notice of Meeting.

All notices of meetings of Shareholders shall be mailed or otherwise given not less than four days, nor more than sixty days, before the date of the meeting.

2.5 Content of Notice.

The notices of meetings shall specify the place, date, and hour of the meeting, as well as the items of the business to be transacted or discussed, pursuant to the Ralph M. Brown Act, Sections 54950 *et. seq.* of the *Government Code*.

2.6 Manner of Giving Notice.

2.6.1 Notice of any meeting of Shareholders shall be given either personally or by first-class mail, or by other written or electronic communication, charges prepaid, addressed to the Shareholders, at the address of that Shareholder appearing on the books of the Corporation or given by the Shareholder to the Corporation for the purpose of notice.

2.6.2 Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written or electronic communication.

2.7 Quorum.

2.7.1 The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of the Shareholders shall constitute a quorum for the transaction of business.

2.7.2 The Shareholders 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 enough Shareholders to leave less than a quorum, if any action taken is approved by at least a majority of the shares required to constitute a quorum.

2.8 Adjournment of Shareholders' Meeting.

Any meeting of the Shareholders may be adjourned, from time-to-time, to another time or place by a vote of the majority of shares represented at that meeting.

2.9 Shareholder's Vote.

2.9.1 Each Shareholder's vote must be by voice ..

2.9.2 If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter shall be the act of the Shareholders, unless the vote of a greater number is required by any applicable law or by another provision of these Bylaws.

2.10 Unanimous Shareholder Approval.

Notwithstanding provisions to the contrary in the Bylaws, the unanimous consent of all the Shareholders shall be required to approve the following actions:

2.10.1 Mergers or consolidations involving the Corporation;

2.10.2 Amendment or repeal of the Articles of Incorporation;

2.10.3 Issuance of shares or other rights relating to the issuance of shares of the Corporation;

2.10.4 Transfer of all or substantially all of the assets of the Corporation; and

2.10.5 Election to wind up and dissolve.

2.11 Waiver of Notice or Consent by Absent Shareholders.

The transactions of any meeting of Shareholders not duly noticed shall be valid if a quorum is present and if, either before or after the meeting, each person entitled to vote who was not present signs a written waiver of notice or a consent to holding of the meeting or an approval of the minutes. Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting.

2.12 Proxies.

2.12.1 Shareholders may vote by a proxy if the proxy is signed by the Shareholder, dated and filed with the Secretary of the Corporation. The proxy holder must be a Shareholder of the Corporation. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

2.12.2 Every proxy continues in full force and effect until revoked by the person executing it prior to the vote. Revocation may be effected by a writing delivered to the Secretary of the Corporation stating that the proxy is revoked. The dates contained on the forms of proxy presumptively determine the order of execution.

ARTICLE III **DIRECTORS**

3.1 Powers.

All corporate powers shall be exercised by or under the authority of, and the business affairs of the Corporation shall be managed under, the direction of the Board of Directors. The Board of Directors shall constitute the governing body of the Corporation and shall be responsible to the Shareholders for setting policy, long range planning, and providing oversight of the management of the Corporation. The Board of Directors may delegate the management of the day-to-day operation of the business of the Corporation to a management company or other person provided that the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

The Corporation shall have a Board of Directors composed, both as to size and categories of membership, in accordance with policies established by the District's Board of Trustees. The Board of Directors shall have the benefit of the advice and counsel of at least one attorney admitted to practice law in California, and at least one licensed certified public accountant. Neither the attorney nor the certified public accountant need be members of the Board of Directors.

3.2 Number and Qualifications of Directors.

The authorized number of directors shall be seven , until changed by amendment of the Articles of Incorporation or by a Bylaw duly adopted by the shareholders.

3.3 Election and Term of Office.

3.3.1 Directors shall be elected at each annual meeting of the Shareholders, but if any such annual meeting is not held, or the Directors are not elected thereat, the Directors may be elected at any special meeting of the Shareholders held for that purpose.

3.3.2 Each elected Director shall serve a term of two years or until his/her successor has been elected and qualified. At the first anniversary of the adoption of these revised Bylaws, only those elected Directors with more than two years of seniority shall stand for re-election.

3.4 Ex Officio Directors.

3.4.1 The Board of Directors shall include as a voting *ex officio* member the Chancellor of the District.

3.4.2 The Board of Directors also shall include as a voting *ex officio* member a District student, appointed by the District's Student Trustee, who shall serve for the academic year. The Student Trustee may appoint himself/herself.

3.5 Vacancies.

3.5.1 A vacancy or vacancies on the Board shall be deemed to exist in the event of the death, resignation, or removal of any Director, or in the event any Director is no longer qualified to serve as Director or if the Board, by a resolution, declares vacant the office of a Director who has been declared of unsound mind by an order of court or who has been convicted of a felony, or if the authorized number of Directors is increased, or if the Shareholders fail, at any meeting of the Shareholders at which any Director or Directors are elected, to elect the full number of Directors to be voted for at that meeting.

3.5.2 Any vacancy occurring in the Board may be filled by appointment of a Director by a majority vote of the Shareholders. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his/her predecessor in office.

3.6 Resignation of Director.

Any Director may resign upon giving written notice to the Board of Directors. Such resignation shall be effective immediately unless the notice specifies a later effective date.

3.7 Meetings.

3.7.1 Regular meetings of the Board of Directors shall be held at least once every calendar quarter, pursuant to Section 72674 of the *Education Code* at any place and time that has been designated by resolution of the Board. The Board of Directors may at any time change the frequency of regular meetings provided at least one meeting is held every calendar quarter.

3.7.2 Special meetings of the Board shall be held at the request of any two Directors at any place and time that has been designated in the notice of the meeting.

3.7.3 Any meeting, regular or special, may be held by conference via telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and provided that the meeting is conducted in compliance with Section 54953 of the *Government Code*.

3.8 Notice.

Notice of all meetings of the Board of Directors, and of all standing committees of the Corporation, shall be made pursuant to the Ralph M. Brown Act, Sections 54950 *et. seq.* of the *Government Code*.

3.9 Quorum.

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business. If a quorum is present when a vote is taken, the affirmative vote of a

majority of Directors present is the act of the Board of Directors unless the Bylaws or applicable law requires the vote of a greater number of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action is approved by at least a majority of the number of Directors required for a quorum for that meeting.

3.10 Waiver of Notice.

Notice of a meeting need not be given to any Director who signs a waiver of notice or a 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 the lack of notice. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

3.11 Adjournment of Directors' Meeting.

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four hours.

3.12 Minutes of Board Meetings.

Minutes of all meetings of the Board of Directors and of the Shareholders shall be made and kept in the Minute Book of the Corporation.

3.13 Fees and Compensation of Directors.

Directors may not receive compensation for their service as Directors, but they are entitled to reimbursement of expenses, as may be fixed or determined by resolution of the Board of Directors. This Section shall not be construed to preclude any Director from serving the Corporation in any other capacity such as an officer, agent, employee, or otherwise, and receiving compensation for those services.

3.14 Officers of Board of Directors

The board of directors, on an annual basis, shall elect amongst themselves a chair and vice-chair of the board. the chair of the board shall preside over all meetings of the board of directors, and shall be responsible for the preparation and posting of agenda of the meetings. The vice-chair shall act in these capacities in the absence of the chair.

ARTICLE IV **COMMITTEES**

4.1 Appointment of Executive Committee.

The Board of Directors, may by resolution, adopted by a majority of the authorized number of Directors, designate three of its members to constitute an Executive Committee. The designation of such committee and the delegation thereto of authority shall not operate to relieve

the Board of Directors, or any member thereof, of any responsibility imposed by law.

4.2 Authority.

The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee, and except also that the Executive Committee shall not have the authority of the Board of Directors in reference to the following:

4.2.1 the approval of any action which also requires the approval of the Shareholders, pursuant to applicable law;

4.2.2 the filling of vacancies on the Board of Directors or on any committee;

4.2.3 the amendment or repeal of the Bylaws or the Articles of Incorporation or the adoption of new Bylaws or new Articles of Incorporation;

4.2.4 the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

4.2.5 a distribution to the Shareholders of the Corporation, except at a rate or in a periodic amount or within a price range determined by the Board of Directors; and

4.2.6 suing or defending in the corporate name, or adopting a plan of merger or consolidation.

4.3 Tenure.

Each member of the Executive Committee shall hold office until the next regular annual meeting of the Board of Directors following his/her designation and until his/her successor is designated as a member of the executive committee and is elected and qualified.

4.4 Meetings.

Meetings of the Executive Committee shall be subject to the Ralph M. Brown Act, Sections 54950 *et. seq.* of the *Government Code*. Minutes shall be kept of all meetings.

4.5 Quorum.

A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof, and action of a majority of members present at any meeting at which there is a quorum, is valid.

4.6 Vacancies.

Any vacancy in the executive committee may be filled by a resolution adopted by the Board of Directors.

4.7 Other Committees.

The Board of Directors, by resolution, may also appoint other committees as it deems necessary to the operation of Corporation. Resolutions appointing any such committee shall specify the purpose of such committee and delineate any authority granted, which shall not be in contravention of these Bylaws or applicable law. Meetings of any standing committees appointed by the Board of Directors shall be subject to the Ralph M. Brown Act, Sections 54950 *et. seq.* of the *Government Code*.

4.8 Corporation Policies.

The Board of Directors shall ensure that the Corporation has adopted policies pertaining to ethics, conflicts of interest, roles of directors, committees, mission statement, gift-acceptance, and whistle-blowing. The Board of Directors shall review these policies, and shall submit these policies to District's Board of Trustees, on a biannual basis.

4.9 Conflict of Interest Prohibited.

a. Pursuant to Section 72677 of the *Education Code*, no member of the Board of Directors shall be financially interested in any contract or other transaction entered into by the Board of Directors, except as provided in Section 72678 of the *Education Code*. Specifically, such contract is permissible under Section 72678 of the *Education Code* if the fact of such financial interest is disclosed or known to the Board of Directors and noted in the minutes; the Board of Directors thereafter authorizes, approves, or ratifies the contract or transaction in good faith without counting the vote or votes of such financially interested member or members; and the contract or transaction is just and reasonable.

b. Nevertheless, pursuant to Section 72679 of the *Education Code*, no contract or transaction shall be permitted if any of the following conditions exist: (i) the contract or transaction is between the Corporation and a member of the Board of Directors; (ii) the contract or transaction is between the Corporation and a partnership or unincorporated association of which any member of the Board of Directors is a partner or in which he or she is the owner or holder, directly or indirectly, of a proprietorship interest; (iii) the contract or transaction is between the Corporation and a corporation in which any member of the Board of Directors is the owner or holder, directly or indirectly, of five percent or more of the outstanding common stock; or (iv) a member of the Board of Directors is interested in a contract or transaction, and without first disclosing such interest to the Board of Directors at a public meeting of the Board, influences or attempts to influence another member or members of the Board to enter into the contract or transaction.

c. Additionally, pursuant to Section 72680 of the *Education Code*, no member of the board of directors may utilize any information, not a matter of public record, which is received by the person by reason of his or her membership on the board for personal pecuniary gain, regardless of whether he or she is or is not a member of the board at the time such gain is realized.

ARTICLE V **OFFICERS**

5.1 Officers.

The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Chief Financial Officer. Any number of offices may be held by the same person in accordance with applicable law and these Bylaws.

5.2 Election of Officer.

The Board of Directors may elect the officers set forth in Section 5.1, hereinabove, and such other officers as the business of the Corporation may require, each of whom shall have such authority and perform such duties as the Board of Directors may from time to time determine.

5.3 Removal of Officer.

Any officer may be removed, either with or without cause, by a majority of the Board of Directors at any regular or special meeting of the Board of Directors.

5.4 Resignation by Officer.

Except as otherwise provided, any officer may resign upon giving written notice to the Board of Directors. Such resignation shall be effective immediately unless the notice specifies a later effective date.

5.5 President.

The President shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the Corporation. The President shall be the Chief Executive Officer of the Corporation. The President shall preside at all meetings of the Shareholders. The President shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

5.6 Vice President.

In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors, the President or the Bylaws.

5.7 Secretary.

The Secretary shall keep or cause to be kept a Book of Minutes of all meetings and actions of Directors, committees of Directors and the Shareholders. The Secretary shall give, or cause to be given, notice of all meetings of the Shareholders and of the Board of Directors

required by the Bylaws or by law. The Secretary shall have such other powers and perform such other duties as, from time to time, may be prescribed by the Board of Directors, the President or the Bylaws.

5.8 Chief Financial Officer.

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The Chief Financial Officer shall be the Treasurer of the Corporation. The Chief Financial Officer shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors, the President or the Bylaws.

**ARTICLE VI
INDEMNIFICATION**

6.1 Definitions.

For the purposes of this Article, “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 these Bylaws.

6.2 Indemnification in Actions by Third Parties.

The Corporation shall have power to indemnify any person who was or is a party, or who 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) 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 that 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.

6.3 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 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, provided that no such person shall be indemnified for acts, omissions, or transactions for which the law disallows eliminating or limiting the personal liability of a director. No indemnification shall be made under this Section for any of the following:

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 and its shareholders, 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 expenses and then only to the extent that the court shall determine;

b. Of amounts paid in settling or otherwise disposing of a pending action without court approval; or

c. Of expenses incurred in defending a pending action which is settled or otherwise disposed of without court approval.

6.4 Mandatory 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 Sections 6.2 or 6.3 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.

6.5 Required Determinations.

Except as provided in Section 6.4, any indemnification under this Article 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 Sections 6.2 or 6.3, by any of the following:

a. A majority vote of a quorum consisting of directors who are not parties to such proceeding;

b. If a quorum of directors is not obtainable, by independent legal counsel in a written opinion;

c. Approval of the shareholders, with the shares owned by the person to be indemnified not being entitled to vote thereon; or

d. 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.

6.6 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 if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article.

6.7 Other Indemnification.

The indemnification provided by Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of shareholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent such additional rights to indemnification are authorized in the Articles of this corporation. The rights to indemnity hereunder shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person. Nothing contained in this Article shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

6.8 Circumstances Where Indemnification Not Permitted.

No indemnification or advance shall be made under this Article, except as provided in Sections 6.4 or 6.5(d), in any circumstance where it appears:

a. That it would be inconsistent with a provision of the Articles, a resolution of the shareholders 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.

6.9 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.

6.10 Nonapplicability to Fiduciaries of Employee Benefit Plans.

This Article does not apply to a 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 as defined in Section 6.1 of the Corporation. The Corporation shall have power to indemnify such a trustee, investment manager, or other fiduciary to the extent permitted by Section 207(f) of the *Corporations Code*.

ARTICLE VII
RECORDS AND REPORTS

7.1 Annual Reports to Shareholders.

The Corporation shall send an annual report to the Shareholders.

7.2 Financial Statements.

The Corporation shall keep on file at its principal executive office a copy of any annual financial statements and income statements of the Corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the Corporation as of the end of each such period.

7.3 Inspection Rights.

7.3.1 The Corporation shall maintain a copy or an original of the following documents: (i) Articles of Incorporation; (ii) Bylaws; (iii) Shareholder List; (iv) accounting books; (v) minutes of proceedings; and (vi) any and all other documents, as required by law or the Bylaws.

7.3.2 The Corporation shall provide the Shareholders and Directors access to such documents, in accordance with the inspection rights granted to such individuals and their legal representatives or agents, pursuant to the *Corporations Code*.

ARTICLE VIII
GENERAL CORPORATE MATTERS

8.1 Fiscal Year.

The fiscal year of the Corporation shall be from July 1 to the last day of June of each year unless another date shall be fixed by resolution of the Board of Directors.

8.2 Checks, Drafts, Evidences of Indebtedness.

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payment to the Corporation shall be signed or endorsed by such person(s) and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

8.3 Contracts and Instruments.

Except as otherwise provided in the Bylaws, the Board of Directors may authorize any officer, employee; independent contractor, or agent, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and this authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, agent, or employee, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge

its credit or to render it liable for any purpose or for any amount. The Corporation shall not enter into any contract that would obligate use of District funds or facilities without prior written approval of the District's Chancellor.

8.4 Audit.

The Corporation shall select a certified public accountant and contract for an annual audit performed by the certified public accountant, pursuant to Section 72672(a) of the *Education Code*. The Corporation shall submit the audit report to District's Board of Trustees and to the State Chancellor's Office. The Corporation shall publish annually an audited statement of its financial condition which shall be disseminated as widely as feasible and be available to any person on request. Distribution of the published audited statement of the Corporation's financial condition at a regularly scheduled meeting of District's Board of Trustees shall be deemed compliance with this requirement.

8.5 Enterprise Bylaws and Articles of Incorporation.

At least on a biannual basis, the Board of Directors shall review its Bylaws and Articles of Incorporation, to ensure compliance with law, District policies and regulations, and any agreements with District. Any amendments or revisions to the Bylaws or Articles of Incorporation shall be reported to the District's Board of Trustees.

8.6 Certificate for Shares.

A certificate for shares of the capital stock of the Corporation shall be issued to the Shareholders when any of these shares are fully paid.

8.7 Lost Certificate.

The Board of Directors may, in case any share certificate is lost, stolen or destroyed, authorize the issuance of a replacement certificate on such terms and conditions as the Board may require, including provision for indemnification of the Corporation secured by a bond or other adequate security sufficient to protect the Corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft, or destruction of the certificate on the issuance of the replacement certificate.

8.8 Construction and Definitions.

The *Corporations Code* shall govern construction of these Bylaws.. In the event of any inconsistency between these Bylaws and such law, the law shall govern.

ARTICLE IX
AMENDMENT

9.1 Amendment of the Bylaws.

These Bylaws may be amended or repealed either by approval of the outstanding shares or by the approval of the Board; provided, however, that after the issuance of shares, a Bylaw

specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable Board or vice versa may only be adopted by approval of the outstanding shares.