

# **Bylaws of the Friends of The Stanford Daily Foundation**

## **A California Nonprofit Public Benefit Corporation**

### ARTICLE I NAME, OFFICE AND PURPOSES

#### Section 1. Name.

The name of this Corporation is and shall be FRIENDS OF THE STANFORD DAILY FOUNDATION (the “Corporation”).

#### Section 2. Principal Office.

The principal office of the Corporation shall be located c/o The Stanford Daily Publishing Corporation, Storke Publications Building, Stanford, CA 94305. The principal office and additional offices may be located in such other places as may be determined from time to time by the Board of Directors.

#### Section 3. Purpose

The Corporation is organized and shall be operated exclusively for educational purposes by conducting or supporting activities for the benefit of or to carry out the purposes of The Stanford Daily Publishing Corporation (“The Stanford Daily”), the qualified organization specified herein. An organization is a “qualified organization” for purposes of these Bylaws only if it is described in Section 501(c)(3) and in either Section 509(a)(1) or 509(a)(2) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). If the aforesaid organization ceases to be a qualified organization, the Corporation shall be operated exclusively for the benefit of, or to carry out the purposes of, one or more qualified organizations as shall be selected by the Board of Directors of the Corporation.

The Corporation is empowered to exercise all rights and powers conferred by the laws of the State of California upon nonprofit corporations, including, but without limitation, to receive gifts, devices, bequests and contributions in any form, and to use, apply, invest and reinvest the principal and/or income therefrom or distribute the same for the aforementioned purposes. Sale of assets received as gifts, devises, bequests or contributions shall constitute a proper use or application under the preceding sentence.

### ARTICLE II NONPARTISAN ACTIVITIES

This Corporation has been formed under the California Nonprofit Public Benefit Corporation Law for the public purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence

legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article I above.

### ARTICLE III DEDICATION OF ASSETS

The properties and assets of this nonprofit Corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of this Corporation, upon dissolution or otherwise, shall inure to the benefit of any director or officer of this Corporation or to any private person or individual. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to the qualified organization specified in Article I above, or if it is not then in existence or does not then qualify as a tax exempt entity under Section 501(c)(3) and either Section 509(a)(1) or 509(a)(2) of the Internal Revenue Code, then to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established tax exempt status under Section 501(c)(3) and either 509(a)(1) or 509(a)(2) of the Internal Revenue Code.

### ARTICLE IV BOARD OF DIRECTORS

#### Section 1. General Powers.

Subject to the limitations of these bylaws, the Articles of Incorporation, and the laws of the State of California, the affairs of the Corporation shall be managed, and all corporate powers shall be exercised by, or under the direction of, a Board of Directors.

#### Section 2. Number, Tenure and Qualifications

The Corporation shall have seven (7) directors, who shall be unrelated persons, and shall be divided into two classes, as follows: (a) The Stanford Daily class, which shall consist of three (3) directors, each of whom shall be directors or officers of The Stanford Daily or otherwise connected with The Stanford Daily (the “Stanford Daily Directors”); and (b) the Director-at-Large Class, which shall consist of four (4) directors, none of whom are current members of The Stanford Daily Board of Directors (the “Directors-at-Large”).

All directors shall serve for a two (2) year term, and shall hold office until the annual meeting of the Board held at the expiration of such term or until a successor shall have been elected. The Board of Directors of The Stanford Daily shall appoint the three Stanford Daily Directors. The Board of Directors of the Corporation shall appoint the Directors-at-Large. A copy of the Articles of Incorporation and Bylaws of the Corporation shall be delivered to each new director upon taking office. The Board may accept a resignation prior to filling that vacancy with a successor.

### Section 3. Regular Meetings.

Regular meetings of the Board shall be held at least once each year without other notice than these Bylaws at any place designated from time to time by resolution of the Board.

### Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the President, Secretary or any two (2) directors. Unless approved by the President for an alternative location, the place of special meetings will be the principal office of the Corporation.

### Section 5. Notice of Special Meetings

Notice of any special meeting of the Board shall be given at least two (2) days prior thereto either personally or by telephone or telegram or four (4) days prior thereto by first-class mail, subject to waiver of notice as provided in Article XII of these Bylaws. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Corporation. The attendance of a director at any special meeting shall also constitute a waiver of notice of such meeting.

### Section 6. Quorum

A majority of directors holding office at any point in time shall constitute a quorum, provided that: (a) more Directors-at-Large are present than Stanford Daily Directors; and (b) except as provided in the following paragraphs, at least one (1) Stanford Daily Director is present. Unless otherwise provided herein, the directors may continue to transact business during a meeting at which a quorum is initially present, notwithstanding the withdrawal of directors, if any action is approved by at least a majority of the required quorum for that meeting.

If any meeting of Directors there is less than a quorum present because no Stanford Daily Director is present, a majority of those present may adjourn the meeting to a date determined pursuant to the following subsection (i), and to the following time and place:

- (i) the adjourned meeting date shall not be less than five (5) nor more than thirty (30) days after the date specified for the original meeting;
- (ii) the time of the adjourned meeting shall be 11:00 a.m.; and
- (iii) the place of the adjourned meeting shall be at the principal office of the Corporation.

Notice of the date, time, and place of the adjourned meeting shall be given to all Directors in accordance with the requirements of Article IV, Section 5. A quorum for the transaction of business at the adjourned meeting which is adjourned to a date, time and place which meets the above conditions shall consist of a majority of the Board of Directors, even if no Stanford Daily Director is present, provided that a majority of those present are Directors-at-Large. At any such adjourned meeting at which such a quorum shall be present, any business may be transacted which might have been transacted at the meeting originally called.

### Section 7. Manner of Acting

Action by the Board shall be by a majority of the directors present at a meeting duly held at which quorum is present unless a greater number is required by these Bylaws or otherwise required by law.

**Section 8. Action Without a Meeting**

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board shall individually or collectively consent in writing in advance to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

**Section 9. Participation in meetings by Means of Conference Telephone**

Members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all person participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

**Section 10. Vacancies**

Any vacancy occurring in the Stanford Daily Director class shall be filled by the Board of Directors of The Stanford Daily. Any vacancy occurring in the Directors-at-Large class shall be filled by the Board of Directors of the Corporation. Any directorship to be filled by reason of any increase in the number of Stanford Daily Directors shall be filled by the Board of Directors of The Stanford Daily; and any directorship to be filled by reason of any increase in the number of Directors-at-Large shall be filled by the Board of Directors of the Corporation. The election of directors under this paragraph shall be conducted in accordance with Section 2 above. Any increase in the number of directors shall be made in increments of two (2) (i.e., one Stanford Daily Director and one Director-at-Large) so that the number of directors in each class is increased at the same rate. A director elected to fill a vacancy shall hold office during the unexpired term of his or her predecessor and until his or her successor is elected.

**Section 11. Causes of Vacancies**

- (a) **Events Causing Vacancies.** A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation or removal of any director; (ii) the declaration by resolution of the Board of Directors of a vacancy in the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order of judgment of any court to have breached a duty under the California Nonprofit Corporation Law; or (iii) the increase of the authorized number of directors
- (b) **Resignations.** Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the President, the Secretary or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a further time, the Board of Directors may, in accordance with

Sections 2 and 10 of this Article IV, elect a successor to take office as of the date of when the resignation becomes effective.

- (c) Removal. A director may be removed, for cause, pursuant to the supermajority requirements described in Article XV of these Bylaws.

Section 12. Compensation

Directors shall not receive compensation for their services as members of the Board. Nothing herein shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor or from receiving reimbursement for reasonable expenses, as may be fixed or determined by resolution of the Board.

Section 13. No Interest in Assets

No director shall possess any property right in or to the property of the Corporation. In the event the Corporation owns or holds any property upon its dissolution and winding up, after paying or adequately providing for its debts and obligations, the directors shall dispose of the remaining property in accordance with the provisions of the Articles of Incorporation and these Bylaws.

Section 14. Restriction on Interested Directors

Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons as defined in Section 5227 of the California Nonprofit Public Benefit Corporation Law.

In addition, not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be disqualified persons as defined in Section 4946 of the Internal Revenue Code, except that in making the determination whether a person is a disqualified person within the meaning of such section, a foundation manager, as defined in Section 4946(b) of the Internal Revenue Code, shall not be considered a disqualified person.

ARTICLE V  
OFFICERS

Section 1. Officers

The officers of the Corporation shall be a President, a Secretary, a Treasurer and such other officers as may be elected to offices created by the Board. Officers shall have powers and duties as specified herein and as may be additionally prescribed by the Board. One person may hold two or more offices, except those of President and Secretary, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required to be executed, acknowledged or verified by two or more officers. All officers must also be Board members, and at least one officer must be elected from the Stanford Daily Director class.

Section 2. Election and Term of Office

The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of any officer shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled, and vacancies may be filled, at any meeting of the Board of Directors. Each officer shall hold office until a successor shall have been elected, unless otherwise removed.

### Section 3. Removal

Subject to the rights, if any, of an officer under any contract of employment, any officer elected or appointed by the Board may be removed by the Board with cause, whenever in its judgment the best interests of the Corporation would be served thereby.

### Section 4. Resignation

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in 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 the Corporation under any contract to which the officer is a party.

### Section 5. President

The President shall, if present, preside at all meetings of the Corporation. He or she shall have general supervision, direction and control of the business of the Corporation.

### Section 6. Secretary

The Secretary shall be responsible for the mailing of notices and for the proper recording of proceedings of meeting of the Corporation. The Secretary shall maintain all official records of the Corporation. The Secretary shall automatically become Chief Financial Officer if there is a vacancy, if the Chief Financial Officer is unable to perform his or her duties, or if the Corporation has not elected a new Chief Financial Officer.

### Section 7. Treasurer

The Treasurer shall be responsible for the Corporation's funds and financial records. The Treasurer shall collect and report, or supervise collection and reporting, of all income and expenditures, shall establish proper accounting procedures for the handling of the Corporation's funds, and shall be responsible for the keeping of the funds in such banks as approved by the Board, and shall keep and maintain adequate and correct accounts of the Corporation's properties and business transactions. The Treasurer shall report on the financial condition of the Corporation at meetings of the Board and at other times when called upon by the President.

At the end of each fiscal year, the Treasurer shall prepare, or cause to be prepared, an annual report which shall be reviewed by a certified public accountant. At the expiration of the Treasurer's term of office, or upon removal, the Treasurer shall immediately deliver over to the person designated by the President all books, money and other property in his or her charge.

### Section 8. Signing of Checks

All three officers shall be permissible signatories on all checks, drafts or other orders for the payment of money issued in the name of the Corporation. The Board may also designate other directors or officers as permissible signatories on all checks, drafts or other orders for payment of money issued in the name of the Corporation. Any such instrument must be signed by two officers of the Corporation. The issuance of any such instrument for an amount in excess of five thousand dollars (\$5,000.00) shall require the approval of the Board, pursuant to the supermajority procedures described in Article XV of these Bylaws. The Board may, from time to time by Board resolution, change the monetary threshold above which said instruments require the approval of the Board.

## ARTICLE VI COMMITTEES

The Board of Directors may create an executive committee and such other committees as from time to time may be required. The executive committee shall consist of at least three (3) members, a majority of which shall be Directors-at-Large. Any other committee shall consist of at least one (1) Stanford Daily Director and one (1) Director-at-Large. Each committee shall act by not less than a majority of the whole authorized number of its members.

## ARTICLE VII ADVISORY BOARD

The Board of Directors may create an Advisory Board whose function will be to advise the Board of Directors regarding fundraising and other issues as the Board of Directors may determine. Such Advisory Board shall have no voting power, but shall serve in an advisory capacity only. The selection of members for such Advisory Board, their duties and term of office shall be determined by the Board of Directors.

## ARTICLE VIII FISCAL YEAR

The fiscal year of this Corporation shall be July 1 through June 30.

## ARTICLE IX GUIDELINES FOR DISBURSEMENT OF FUNDS

### Section 1. Endowment Fund

All contributions received by the Corporation from The Stanford Daily, individual contributors or any other source shall be held by the Corporation as an endowment fund (the "Endowment Fund"). The disbursement of monies from the Endowment Fund shall be subject to the restrictions set forth in Section 3 of this Article IX.

### Section 2. Disbursements of Contributions and Income

- (a) Contributions. Any contributions received by the Corporation from The Stanford Daily, individual contributors, or any other source in a fiscal year beginning after the third complete fiscal year of the Corporation's operation may be disbursed by the Board in full in the fiscal year in which they are contributed, or in the following fiscal year.
- (b) Income. Any income earned by the Corporation during any fiscal year may be disbursed by the Board in full in the fiscal year in which it is earned, or in the following fiscal year.
- (c) Endowment Fund. If either: (i) contributions donated after the Corporation's first three complete fiscal years of operation; or (ii) income earned by any assets of the Corporation are not disbursed by the Board in the fiscal year in which they are contributed or earned or in the fiscal year following such fiscal year, pursuant to Sections 2(a) and 2(b) of this Article IX, then such monies shall become part of the Endowment Fund. The disbursement of monies from the Endowment Fund shall be subject to the restrictions set forth in Section 3 of this Article IX.

### Section 3. Disbursements from Endowment Fund

- (a) During the Corporation's first three complete fiscal years of operation, the Board of Directors may not authorize any disbursement of monies which would cause the invasion of the Endowment Fund under any circumstances.
- (b) After the completion of the third full fiscal year of the Corporation's operations, the Board may authorize the disbursement of monies during any one fiscal year in an amount which would cause the disbursement of a maximum of twenty percent (20%) of the total amount of the Endowment Fund.

## ARTICLE X INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER CORPORATE AGENTS

The Corporation shall, to the extent allowed by applicable state and federal laws, indemnify and hold harmless its officers, directors, agents and employees from and against any and all claims, actions, proceedings, whether threatened, pending or completed, brought by reason of their respective position with or relationships to the Corporation, including, without limitation, all reasonable attorneys fees, costs and other expenses incurred in establishing a right to indemnification under this Article X.

The Corporation, to the extent permitted by applicable state and federal law, may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as director, officer, employee, or agent of another corporation (domestic or foreign, nonprofit or for profit), partnership, joint venture, trust or other enterprise.

ARTICLE XI  
BOOKS AND RECORDS

The Corporation shall keep at its principal office correct and complete books and records of account, written minutes of the proceedings of its meetings, the original or a copy of the Articles of Incorporation and Bylaws as amended to date, and a record setting forth the names and addresses of all directors.

ARTICLE XII  
WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the California Nonprofit Corporation Law or under the provisions of the Articles of Incorporation or by the Bylaws of the Corporation, a written waiver thereof, signed by the person or person entitled to such notice, whether before or after the time stated therein, which is made a part of the minutes, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII  
ANNUAL REPORTS

Not later than one hundred twenty (120) days after the close of the Corporation's fiscal year, the Board shall cause to have prepared and sent to the directors an annual report and an annual statement of transactions and indemnifications.

ARTICLE XIV  
RULES OF ORDER

The rules contained in Robert's Rules of Order Newly Revised, and as may be amended from time to time, shall govern the Corporation in all cases in which they are applicable, and in which they are not inconsistent with these Bylaws, the Articles of Incorporation, or then existing law.

ARTICLE XV  
SPECIAL VOTING REQUIREMENTS

In order to adopt or approve any one of the following actions, the affirmative vote of four (4) out of seven (7) of the directors shall be required; however, at least one of the four directors approving such action must be a Stanford Daily Director:

1. Liquidation or dissolution of the Corporation;
2. Merger, consolidation or transfer of substantially all the assets of the Corporation;
3. Any amendment, repeal, modification, or addition to the Articles of Incorporation or the Bylaws of the Corporation. A copy of the proposed amendment or new bylaws shall be included in the notice of meeting given to each director at which the amendment(s) shall be considered;

4. Specification of a Qualified Organization(s) if The Stanford Daily ceases to be a Qualified Organization;
5. Selection of the Qualified Organization(s) to which the properties, assets, and obligations of the Corporation shall be distributed upon the liquidation of the Corporation, if The Stanford Daily is not then a Qualified Organization.
6. The removal, for cause, of a Director of the Corporation;
7. The issuance of a check, draft or other order for the payment of money issued in the name of the Corporation in excess of five thousand dollars (\$5,000.00), pursuant to Article V, Section 8 of these Bylaws.