Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2015-1697, **File Type:** Policy **Agenda Number:** 2.

Crenshaw Project Corporation

CPC

One Gateway Plaza
Los Angeles, CA 90012

CRENSHAW PROJECT CORPORATION BOARD MEETING
DECEMBER 3, 2015

SUBJECT: TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) LOAN ADMINISTRATION ACTIVITIES

ACTION: RATIFY RESTATED ARTICLES OF INCORPORATION, AND RECEIVE AND FILE REPORT ON 2015 TIFIA LOAN ADMINISTRATION ACTIVITIES

RECOMMENDATION

CONSIDER:

A. RATIFYING AND APPROVING t**he Crenshaw Project Corporation (CPC) Restated Articles of Incorporation** (Attachment A); and

B. RECEIVING AND FILING the **Restated Bylaws** (Attachment B) and this report of other TIFIA loan administration activities during calendar year 2015.

ISSUE

The Crenshaw Project Corporation (CPC) was formed in 2012 to act as the TIFIA Loan conduit borrower and the Transportation Investment Generating Economic Recovery (TIGER) II TIFIA Payment grant sub-recipient for the Crenshaw/LAX Transit Corridor Project (Crenshaw/LAX Project). At the CPC Annual Meeting held November 13, 2014, the Board adopted a resolution to amend the bylaws, select fiduciaries to serve as fiscal agents, open bank accounts, change corporate status, file restated articles of incorporation and perform other related activities. These actions were necessary to enable CPC to administer the TIFIA Loan. This report is provided to update the Board about those actions made pursuant to the approved resolution and the loan agreement. As of October 30, 2015, the CPC has drawn $263.9 million of the $545.9 million TIFIA Loan available to the Crenshaw/LAX Project.

DISCUSSION

Subsequent to the CPC Annual Meeting held November 13, 2014 staff has completed the following activities in order to administer the TIFIA Loan and TIGER Grant:

New Articles of Incorporation and Restated Bylaws

Last year staff recommended a change in CPC's corporate status from a mutual benefit corporation to a public benefit corporation to simplify the process of obtaining tax-exempt status and to assure compliance with the California Corporations Code. This change was approved by the Board at the November 2014 meeting. TIFIA Lender approval of this change was required before the Restated Articles of Incorporation, which affected the change, could be filed. The TIFIA Lender's consent was obtained in June of 2015 in connection with a Second Amendment to the Crenshaw Project TIFIA Loan Agreement. In order to facilitate obtaining corporate tax exempt status, the Restated Articles of Incorporation presented to and approved by the Board at the 2014 annual meeting were modified as shown on the redlined version of the Restated Articles of Incorporation attached hereto as Attachment A. These changes were suggested by tax counsel and the Internal Revenue Servcie staff. A clean copy of the red-lined version of the Restated Articles of Incorporation was ultimately filed with the Secretary of State and is available in the Board Secretary's office. In accordance with the corporate resolution approved by the Board at the 2014 annual meeting, upon filing of the Restated Articles of Incorporation, the Restated Bylaws of CPC became effective, as attached hereto as Attachment B. These Restated Bylaws reflect the corporation's new status as a public benefit corporation, as well as new officer titles, and were approved by the Board at the 2014 annual meeting.

CPC has obtained corporate tax exempt status from the Internal Revenue Service and an acknowledgment that CPC is not subject to income or franchise tax from the California Franchise Tax Board.

Summation of Crenshaw Project Corporation TIFIA Loan Amendments

The Board approved two sets of amendments to the TIFIA Loan Agreements since the loan was originally entered into in 2012. The First Amendment incorporated changes made to the Measure R sales tax revenues flow of funds, required as a result of Metro's entering into the Regional Connector TIFIA loan. The Second Amendment, approved by the Board at the CPC 2014 annual meeting, amended the form of ancillary banking agreements to reflect 1) the above-mentioned change in the flow of Measure R revenues; 2) changes requested by the banks who are performing as fiscal agents of the TIFIA Lender, LACMTA and CPC, and 3) changes required by CPC's change in corporate status from a mutual benefit corporation to a public benefit corporation. No material changes to the terms of the Crenshaw/LAX Project TIFIA loan have been made through these amendments. The Second Amendment to the Loan Agreement, the Fiscal Agency Agreement with U.S. National Bank (the trustee under the Measure R Trust Agreement), and the Collateral Agency and Account Agreement between USDOT, CPC and Zions First National Bank (selected as the TIFIA Fiscal Agent), were entered into in June of 2015. The fiscal impact of these agreements, as shown in the annual report, is de minimus. Copies of these agreements are available upon request.

Other administrative actions required by the TIFIA Loan Agreement

- Selected U.S. Bank National Association as CPC's Fiscal Agent and executed the Fiscal Agency Agreement;

- Obtained annual credit rating;
- Initiated loan draws;
- Selected ZIONS First National Bank as TIFIA Fiscal Agent and executed the Collateral Agency Agreement;
- Paid the annual TIFIA Lender Loan Servicing Fee;
- Submitted to TIFIA:
    - Reports and presentation material sent to rating agencies for ratings on any indebtedness secured by Proposition A, Proposition C, and Measure R sales tax and General Revenues;
    - Preliminary Official Statements, Official Statements and other evidence of debt issued by LACMTA and CPC;
    - Unaudited Quarterly Financial Statements of LACMTA and CPC;
    - Unaudited Annual Financial Statements of CPC;
    - Audited Consolidated Annual Financial Report of LACMTA; and
    - Third Annual Financial Plan for Crenshaw/LAX Project;
- The Annual Budget Review and Program Plan was prepared and submitted to the Federal Transit Administration as required by the TIGER Grant.

DETERMINATION OF SAFETY IMPACT

There is no safety impact related to this action.

FINANCIAL IMPACT

The administrative costs associated with changing CPC's corporate status, obtaining tax exempt status, amending the Crenshaw Project TIFIA Loan and performing other CPC TIFIA Loan administration activities are funded in Metro's adopted FY16 budget in various cost centers.

NEXT STEPS

Staff will continue to take all actions required of the Borrower under the Crenshaw/LAX Project TIFIA Loan. Additionally staff will return to the Board in the event there are any further amendments required to the Crenshaw/LAX Project TIFIA Loan in connection with the Project itself or the execution of a fourth TIFIA loan for the Purple Line Extension Project, Section 2, anticipated in fiscal year 2016.

ATTACHMENTS

Attachment A - Crenshaw Project Corporation Restated Articles of Incorporation

Attachment B - Crenshaw Project Corporation Restated Bylaws

Prepared by: Donna Mills, Treasure, Finance (213) 922-4047
Cosette Stark, Deputy Executive Officer, (213) 922-2822
David Yale, Managing Executive Officer, (213) 922-2469

Reviewed by: Martha Welborne, FAIA, Chief Planning Officer, (213) 922-7267
Nalini Ahuja, Executive Director, Finance & Budget (213) 922-3088

Phillip A. Washington
Chief Executive Officer

ATTACHMENT A
RESTATED ARTICLES OF INCORPORATION

OF

CRENSHAW PROJECT CORPORATION

Phillip A. Washington and Michele Jackson certify that:

1. They are the duly elected Chief Executive Officer and Secretary, respectively, of Crenshaw Project Corporation (the "Corporation").

2. The Articles of Incorporation of the Corporation shall be amended and restated to read in full as follows:

ARTICLE I

The name of ~~the~~this corporation is ~~Crenshaw Project Corporation.~~CRENSHAW PROJECT CORPORATION.

ARTICLE II

~~A.~~ ~~The~~A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person.~~–~~ It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.~~-~~

~~The purpose of this~~B. Said corporation is ~~to engage in any lawful act or activity for which a corporation may be~~ organized ~~under~~ exclusively for the ~~Nonprofit Public Benefit Corporation Law~~purpose of lessening the burdens of government within the meaning of Section 501(c)(3) of the Internal Revenue Code.

~~B.~~ C. The specific purpose of this corporation is to participate in the financing of public purpose projects for the Los Angeles County Metropolitan Transportation Authority.

ARTICLE III

~~The initial street address and mailing address of the corporation is:~~

~~Crenshaw Project Corporation~~
~~One Gateway Plaza, 3rd Floor~~
~~Los Angeles, California 90012~~

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth these Articles. No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE IV

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

ARTICLE V

Upon the dissolution of this corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for public purposes.

3. The foregoing amendment and restatement and this certificate have been approved by the Board of Directors of the Corporation.

4. The Corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: _____

_____
Phillip A. Washington
Chief Executive Officer

Date: _____

_____
Michelle Jackson
Secretary

ATTACHMENT B

RESTATED BYLAWS

OF

CRENSHAW PROJECT CORPORATION

(Amended as of November 13, 2014, Effective as of June 15, 2015)

RESTATED BYLAWS

OF

CRENSHAW PROJECT CORPORATION

ARTICLE I
PURPOSES AND OFFICE

Section 1.1 General and Specific Purposes. Crenshaw Project Corporation (the "Corporation") is formed to engage in any public purpose for which a corporation may be organized under the Nonprofit Public Benefit Corporation Law (California Corporations Code §§ 5110 *et seq*.).

The specific purpose of the Corporation is to participate in the financing of public purpose projects for the Los Angeles County Metropolitan Transportation Authority (the "LACMTA" or "Metro"). In the event that any provision of this Article I is inconsistent with any provision of the Articles of Incorporation of the Corporation, the provisions of the Articles of Incorporation of the Corporation shall prevail and be controlling.

Section 1.2 Office. The principal office of the Corporation shall be located at One Gateway Plaza, 3rd Floor, in Los Angeles, California 90012-2952. The Board of Directors (the "Board") of the Corporation is hereby granted full authority and power to change the principal office from place to place as it is deemed necessary. Any change in the city where the principal office is located may be noted in the Bylaws by the Secretary opposite this Section 1.2 or this Section may be amended to state the new location.

ARTICLE II
MEMBERS

Section 2.1 Members. The Corporation shall have no voting members within the meaning of Section 5310 of the Nonprofit Public Benefit Corporation Law. Any action which, under Nonprofit Public Benefit Corporation Law, would otherwise require either "approval by a majority of all members" or "approval by the members" shall be construed as requiring the approval solely of the Board, and all rights which would otherwise vest in the members shall instead vest solely in the Board.

ARTICLE III
BOARD OF DIRECTORS

Section 3.1 Powers. Subject to any limitations in the Articles of Incorporation, these Bylaws and the laws of the State of California, all powers of the Corporation shall be exercised by or under authority of, its property controlled and its affairs conducted and managed by the Board. The primary function of the Board shall be to establish corporate policies for the direction and guidance of the officers, and the management of the Corporation, and to formulate the basic rules and regulations governing the operation and management of the Corporation.

Section 3.2 Number and Election of Directors. The number of Directors shall be the same as the number of the members of the Board of Directors of Metro (the "Metro Board"). Each director on the Metro Board shall be a Director on the Board and shall serve the same term as such director is serving as a member of the Metro Board and shall be elected to the Board by virtue of their election or continuation in office as a member of the Metro Board. The Chair, First Vice-Chair and Second Vice-Chair of the Metro Board shall have the corresponding positions on the Board. Directors may serve on the Board only so long as they are members of the Metro Board. Any change in the membership of the Metro Board, after the date of adoption hereof, which results in any change (for example, due to the resignation, removal, appointment, election, or expiration of the term of any Board member) in the membership of the Metro Board, shall automatically result in a change on the Board, including the inclusion of the successor member(s) of the Metro Board on the Board, without the requirement for any election by the Board or other action.

Section 3.3 Term of Office. Each Director shall serve a term commensurate with his or her term on the Metro Board.

Section 3.4 Vacancies. If the office of any Director becomes vacant due to a vacancy in the Metro Board, the person elected or appointed to the Metro Board to fill such vacancy in the Metro Board shall automatically fill the vacancy in the Board.

Section 3.5 Place of Meeting. All meetings of the Directors shall be held at the principal office of the Corporation in the State of California or at such other place as may be designated for that purpose from time to time by the Board.

Section 3.6 Regular Meetings. Regular meetings of the Directors shall be held on such date, hour and place as determined by the Directors from time to time.

Section 3.7 Special Meetings. Special meetings of the Board for any purpose or purposes shall be called at any time by any Director of the Board. The party calling such special meeting shall determine the date and time thereof.

Section 3.8 Notice of Meetings. Notice of the date, time and place of any regular meeting of the Board shall be given by the Secretary to each Director at least seventy-two (72) hours before the date of the meeting if delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, email, or other electronic means, and at least five (5) days before the date of the meeting if given by first class mail, postage prepaid, addressed to the Director at the address as it is shown upon the records of the Corporation, or if it is not so shown on such records, or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. Notice of any type of meeting shall specify the place, the day and the hour of the meeting. Notices of the regular meetings need not specify the agenda. Notices of special meetings shall be given by the Secretary (or in case of the Secretary's neglect or refusal, by any Director) to each Director at least twenty-four (24) hours before the date of the meeting, and shall include a description of the nature of the business to be transacted. No items of business other than those specified in the notice of special meeting may be transacted at a special meeting. The annual meeting of the Board shall be held at such time as the Board may from time to time determine

for the purpose of the election of officers and for the transaction of such business as may properly come before the meeting. Public notice of all meetings shall comply with the Ralph M. Brown Act, commencing with Section 54950 of the Government Code of the State of California (the "Brown Act").

Section 3.9 Consent to Meetings; Waiver of Regular Call and Notice. Any Director not present at a meeting may, if such Director so desires, file a written consent to actions taken at such meeting with the Secretary of the Corporation. The transaction of any meeting of the Board, however called and noticed and wherever held, is as valid as though conducted at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Directors not present signs a written waiver of choice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting and if any further restrictions contained in the Brown Act are satisfied.

Section 3.10 Quorum. A quorum shall consist of at least seven (7) members of the Board. Every act, or decision done or made by a majority (but in any case not less than seven (7)) of the Directors present at a meeting duly held at which a quorum is present, shall be the act of the Board.

Section 3.11 Conduct of Meetings. The Chair of the Board, or, in his or her absence, the First Vice-Chair or the Second Vice-Chair, or in their absence any other person chosen by a majority of the Directors present, shall be chair of and shall preside over the meetings of the Board. The Secretary of the Corporation shall act as the secretary of all meetings, provided that in his or her absence, the person chairing the meeting shall appoint another person to act as secretary of the meeting. The meetings shall be governed in accordance with the meeting procedures of the Metro Board, as amended and modified from time to time.

Section 3.12 Participation in Meetings by Conference Telephone. Directors may be deemed present for purposes of quorum, vote and participation in meetings of the Board through use of conference telephone or similar communications equipment, provided all requirements of the Brown Act are met.

Section 3.13 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting of the Board to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors of the time and place fixed at the meeting adjourned, except if the meeting is adjourned for more than twenty-four (24) hours, then notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of adjournment.

Section 3.14 Rights of Inspection. Every Director shall have the right at any reasonable time to inspect the physical properties of the Corporation and to copy all books, records and documents of every kind in accordance with Chapter 13 of the Nonprofit Public Benefit Corporation Law (California Corporations Code §§ 6310 *et seq.*).

Section 3.15 Resignation. Any Director may resign at any time by giving written notice of such resignation to the Board. Such resignation shall take effect at the time specified

therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.16 Fees and Compensation. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by the Board.

Section 3.17 Standard of Conduct. Pursuant to Section 5231 of the Nonprofit Public Benefit Corporation Law, a Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position 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:

(a) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

(c) 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 therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 3.18 Self-Dealing Transactions. Pursuant to Section 5233 of the Nonprofit Public Benefit Corporation Law, the Corporation shall not be a party to a transaction in which one (1) or more of its Directors has a material financial interest (each, an "Interested Director") unless prior to entering into the transaction, after full disclosure to the Board of all material facts regarding the proposed transaction and the Interested Director's interest, and after investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):

(1) Resolves and finds that (i) the transaction is in the Corporation's best interest and for the Corporation's own benefit, (ii) the transaction is fair and reasonable as to the Corporation, and (iii) after reasonable investigation under the circumstances as to alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(2) Approves the entire transaction. In the event it is not reasonably practicable to obtain approval of the Board prior to entering into such transaction, the Corporation may enter into such transaction if, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in this section and the Board, after determining in

good faith that the Corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office, without counting the vote of the Interested Director.

ARTICLE IV
OFFICERS

Section 4.1 Officers. The officers of the Corporation shall be a Chief Executive Officer, a Deputy Chief Executive Officer, an Executive Director, Finance & Budget, a Treasurer, one or more Assistant Treasurers, a Secretary and any other officers as the Board may appoint from time to time. Compensation for officers and reimbursement of their expenses shall be as determined from time to time by the Board. Unless unavailable, disabled or unwilling to serve, the offices of the Corporation shall be filled by the persons filling the corresponding offices of the LACMTA, from time to time, as follows:

LACMTA Chief Executive Officer	-	Corporation Chief Executive Officer
LACMTA Deputy Chief Executive Officer	-	Corporation Deputy Chief Executive Officer
LACMTA Executive Director, Finance & Budget	-	Corporation Executive Director, Finance & Budget
LACMTA Treasurer	-	Corporation Treasurer
LACMTA Assistant Treasurer (one or more)	-	Corporation Assistant Treasurer (one or more)
LACMTA Board Secretary	-	Corporation Secretary

Section 4.2 Election and Removal of Officers. All officers shall be chosen by, and hold office at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment.

Section 4.3 Subordinate Officers. The Board may elect or authorize the appointment of such officers other than those hereinbefore mentioned 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 are provided in these Bylaws, or as the Board may from time to time authorize or determine.

Section 4.4 Chief Executive Officer. The Chief Executive Officer shall have the authority and responsibility for the day-to-day management and administration of the affairs, employees and resources of the Corporation, and for implementation of the policies and programs of the Corporation. He or she 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 or these Bylaws. The Chief Executive Officer shall report to the Board. The Chief Executive Officer shall, subject to the policies of the Corporation, employ, supervise, manage, control and discharge the employees of the Corporation. The Chief Executive Officer shall have such other powers and perform such other duties as from time to

time may be prescribed for the Chief Executive Officer by the Board or these Bylaws. All or part of the above duties may be delegated to the Chief Executive Officer, or such other staff as may be designated by the Chief Executive Officer or the Board.

Section 4.5 Executive Director, Finance & Budget. The Executive Director, Finance & Budget shall make provision for the care and custody of all funds of the Corporation, shall make provision for the deposit of such funds as required and designated by the Board, shall make provision for the maintenance of adequate accounts of the properties and business transactions of the Corporation, shall render reports and financial statements to the Directors as required by the Board, and shall have the general powers and duties of management usually vested in the office of chief financial officer of a corporation, shall perform all duties incident to the office of Executive Director, Finance & Budget and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board. All or part of the above duties may be delegated to the Executive Director, Finance & Budget or such other staff as may be designated by the Executive Director, Finance & Budget or the Board.

Section 4.6 Secretary. The Secretary shall keep or cause to be kept, at the principal office of the Corporation in the State of California, the original or a copy of the Corporation's Articles of Incorporation and Bylaws, as amended to date. The Secretary also shall keep or cause to be kept a book of minutes of all meetings of the Directors at the principal office, or at such other place as the Board may order, with the time and place of holding, whether regular or special; and of special, how authorized, the notice thereof given, the names of those present at Board meetings, and the proceedings thereof. The Secretary shall give or cause to be given notice of all the meetings of the Board required by these Bylaws or by law to be given and he or she shall keep the seal and perform such other duties as may be designated by the Board. All or part of the above duties may be delegated to the Secretary, or such other staff as may be designated by the Secretary or the Board.

Section 4.7 Removal. Any officer may be removed, either with or without cause, by the Board at any time. The removal of any officer shall be without prejudice to the rights, if any, of the officer under any contract of employment of the officer.

Section 4.8 Resignation. Any officer may resign at any given time by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.9 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointment of such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

ARTICLE V
COMMITTEES

Section 5.1 Committees. The Board may appoint any standing or ad hoc committees, for such tenure and such purposes as the Board may from time to time determine. The Executive Committee and any other committee having the authority of the Board shall be comprised of three (3) or more Directors unless otherwise provided, and may be delegated any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except as provided in Section 5.4 of these Bylaws. The presence of a majority of committee members shall constitute a quorum. A majority of those present at a duly held meeting with a quorum may perform any act or make any decision vested in the committee, unless a greater number, or the same number after disqualifying one or more members from voting, is required by law or the Corporation's Articles of Incorporation or Bylaws or the meeting procedures of the Metro Board, and may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum. A quorum for the Executive Committee shall comprise one-half plus one of committee members eligible to vote. With respect to decisions exercised within the Board-delegated authority to legally bind the Corporation, (i) a majority of the committee members must vote in favor of the action, and (ii) a majority of Directors in attendance must be in the majority.

Section 5.2 Standing Committees. The Board may appoint any one or all of the following standing committees:

(a) Executive Committee. The Executive Committee, if any, shall consist of the Chair of the Board, if such officer has been appointed, or the Chief Executive Officer and two (2) other Directors. The Chief Executive Officer, or if such officer is appointed, the Chair of the Board, shall be the chairperson of the Executive Committee. The Executive Committee shall have the power and duty to conduct such affairs of the Corporation and to exercise such powers as may be delegated to it by the Board at such times as the Board is not in session. The Executive Committee shall hold such meetings as shall be directed by the Board or called by its chairperson at such times and places as may be convenient to conduct business. Each member of the Executive Committee shall have one vote and all matters shall be decided by a majority vote. No member may vote by proxy. A majority of the members of the Executive Committee shall constitute a quorum for the conduct of business. All actions taken by the Executive Committee shall be reported at the next regular meeting of the Board.

(b) Finance Committee. The Finance Committee, if any, shall consist of such number of individuals as the Board shall determine from time to time, and shall include a minimum of two (2) Directors and the Executive Director, Finance & Budget, who shall serve as an ex-officio member, without vote. The Chair of the Board or Chief Executive Officer shall designate the chairperson of this committee. The Finance Committee shall be responsible for: insuring that the Chief Executive Officer and the Executive Director, Finance & Budget, and other staff of the Corporation maintain fiscal integrity; establishing clear and accurate management information; identifying methods and techniques for distribution of the Corporation's funds to beneficiaries; preparing and presenting the annual budget and annual fiscal reports; auditing the Corporation's accounts; developing policies and procedures for fund raising, holding and investing assets; developing a long-range plan for fund development; and

authorizing expenditures of the Corporation's funds. If delegated to do so by the Board, this committee shall direct and handle the investment of the Corporation's property or funds.

(c) Audit Committee. The Audit Committee shall consist of at least two (2) Directors, and shall include no officers of the Corporation. The Committee may include non-Directors with requisite expertise to assist the Committee in the discharge of its duties; provided that all actions or recommendations of the Audit Committee shall be approved by a majority of the members that are Directors. Audit Committee members may not receive compensation in excess of what that member would receive as a Director and may not have a material financial interest in any entity that does business with the Corporation. The Audit Committee shall make recommendations to the Board with respect to the engagement or discharge of the Corporation's independent auditors, and shall review with the independent auditors the plans, scope, and results of their engagement.

Section 5.3 Additional Committees. The Board may create one or more additional committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. Any such committee must be created, and the numbers thereof appointed by resolution adopted by a majority of the authorized number of Directors then in office provided a quorum is present. 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. All members of any committee shall serve at the pleasure of the Board. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings 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 Article III applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee. The Board may delegate to any such committee any of the authority of the Board except as provided in Section 5.4 of this Article V.

Section 5.4 Prohibited Delegation of Authority. The Board shall not delegate to any committee any of the following authority:

(a) The approval of any action for which the Nonprofit Public Benefit Corporation Law also requires approval of the Members;

(b) The filling of vacancies on the Board or on any committee;

(c) The fixing of compensation of the Directors for serving on the Board or on any committee;

(d) The amendment or repeal of Bylaws or the adoption of new bylaws;

(e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

(f) The appointment of other committees of the Board or the members thereof; or

(g) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the Nonprofit Public Benefit Corporation Law.

ARTICLE VI
GENERAL PROVISIONS

Section 6.1 Voting Shares. The Corporation may vote any and all shares held by it in any other corporation by such officer, agent or proxy as the Board may appoint, or in the absence of any such appointment, by the Chair of the Board or by any other officer, if also a Director and, in such case, such officers or any of them, may likewise appoint a proxy to vote said shares.

Section 6.2 Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Corporation and any and all securities owned or held by the Corporation requiring signature for the transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board or the Executive Committee, if any.

Section 6.3 Endorsement of Documents; Contracts. Subject to the provisions of applicable laws, 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 any officer, shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officer(s) 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 or the Executive Committee, if any, and, unless so authorized by the Board, 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 amount.

Section 6.4 Annual Report. Except as otherwise provided in Section 6321(c) of the Nonprofit Public Benefit Corporation Law, the Executive Director, Finance & Budget shall cause an annual report to be prepared and sent to each Director and officers of the Corporation, and such other persons as are designated by the Board no later than 120 days after the close of the Corporation's fiscal year, or such later date as may be permitted by the Nonprofit Public Benefit Corporation Law. The fiscal year of the Corporation shall commence on July 1 and end on the following June 30, or shall consist of such other annual period as the Board may determine by resolution. Such annual report shall be prepared in conformity with the requirements of Sections 6321 and 6322 of the Nonprofit Public Benefit Corporation Law now in effect and as it may hereafter be amended.

Section 6.5 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. If any sections of the Nonprofit Public Benefit Corporation Law specifically referred to in these Bylaws are subsequently reorganized or renumbered, these Bylaws shall be interpreted to refer to the reorganized or renumbered sections. In the event that anything contained within these

Bylaws, including any delegation of authority or description of procedures, conflicts with the Articles of Incorporation or applicable law, including the Nonprofit Public Benefit Corporation Law, the Articles of Incorporation to the extent not consistent with such laws, and then such laws, shall govern.

Section 6.6 Gender. As used in these Bylaws, the masculine gender shall include both the masculine and female gender.

ARTICLE VII
INDEMNIFICATION

Section 7.1 Definitions. For the purposes of this Article VII, "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 Section 7.4 or 7.5(b) of these Bylaws.

Section 7.2 Indemnification in Actions by Third Parties. 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 proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust, which is applicable to the Corporation by Section 5238 of the Nonprofit Public Benefit Corporation Law) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 7.3 Indemnification in Actions by or in the Right of the Corporation. The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust (which is applicable to the Corporation by Section 5238 of the Nonprofit Public Benefit Corporation Law) to procure a judgment in its

favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 7.3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval, or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 7.4 Indemnification Against Expenses. To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 7.2 or Section 7.3 of these Bylaws 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 7.5 Required Determinations. Except as provided in Section 7.4 of these Bylaws, 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 7.2 or Section 7.3 of these Bylaws, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

Section 7.6 Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.

Section 7.7 Other Indemnification. No provision made by the Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, Bylaws, a resolution of the Directors, an agreement or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any right to indemnification to which persons other than such Directors and officers may be entitled by contract or otherwise.

Section 7.8 Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article VII, except as provided in Section 7.4 or Section 7.5(b), in any circumstances where it appears:

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

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

Section 7.9 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 VII.

Section 7.10 Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article VII does not apply to any proceeding against any trustee, investment manager or other fiduciary of any employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 7.1. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the General Corporation Law (California Corporations Code §§ 100 *et seq*).

ARTICLE VIII
AMENDMENT

Section 8.1 Amendment.

(a) Except as provided in subsection (b) below, neither the articles of incorporation nor these Bylaws, and any part thereof, may be altered, amended, repealed, or augmented in any manner except by the affirmative vote of at least a majority of the Directors, such vote to be taken at a regular meeting or at a special meeting called for that purpose; provided, however, that written notice thereof shall have first been sent to each Director at his last-known address not less than ten (10) or more than sixty (60) days prior to the date of such meeting or special meeting. Any such notice shall state the alterations, amendments, additions, or changes which are proposed to be made in these bylaws

(b) Any amendment proposing to reduce the fixed number of Directors shall be adopted only upon the approval of all the Directors.

CERTIFICATE OF SECRETARY REGARDING RESTATED BYLAWS

The undersigned hereby certifies that she or he is the duly appointed and acting Secretary of Crenshaw Project Corporation and the foregoing Restated Bylaws, consisting of 13 pages (inclusive of this page, but exclusive of the cover sheet) were duly adopted by the Board of Directors of this Corporation on November 13, 2014, and they constitute the corporate Bylaws of Crenshaw Project Corporation in effect upon the date of filing of the Restated Articles with the California Secretary of State and the consummation of the Corporation's change in status to a California nonprofit public benefit corporation.

Date: _____

_____

Secretary
CRENSHAW PROJECT CORPORATION