

**RESTATED BYLAWS
OF
WASHINGTON STATE UNIVERSITY FOUNDATION**

The governing board and membership of the Washington State University Foundation (“WSU Foundation”) adopted a resolution on April 30, 2004, which amended and restated its Bylaws, and the following constitute the Restated Bylaws of the WSU Foundation. These Restated Bylaws correctly and completely set forth the Bylaws of the WSU Foundation and supersede all prior Bylaws, amended or restated.

ARTICLE 1. BACKGROUND

1.1 Entity. The WSU Foundation was established in the State of Washington as a Washington nonprofit corporation in 1979. It is recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”). The WSU Foundation is a separate and independent entity, organized and operated for the sole and exclusive benefit of Washington State University, an institution of higher learning and an agency of the State of Washington (“University”), and as such is a public charity as described under Sections 509(a)(1) and 170(b)(1)(A)(iv) of the Code. Contributions made to the WSU Foundation are tax-deductible under Section 170(c)(2) of the Code. Furthermore, the WSU Foundation is a public benefit not for profit corporation as defined in Section 24.03.005(14) of the Revised Code of Washington (“RCW”).

1.2 Mission. The WSU Foundation’s mission is to promote, accept, and maximize private support for programs, initiatives and properties of the University, and prudently manage, invest and steward the assets entrusted to it by the University and its alumni, friends, and donors.

1.3 Affiliation. The WSU Foundation is a supporting organization of the University, but is governed, operated and administered separately from the University. The WSU Foundation is under contract for services with the University, and is recognized as the University’s sole and exclusive fundraising organization.

1.4 Constituencies. The WSU Foundation shall feature in its operations (in addition to other fundraising techniques) the principle of working with, through and in close coordination with constituency groups that reflect interest in particular parts of the University structure (*e.g.*, colleges, campuses, athletics, libraries, museum).

1.5 Governing Board. The governing board of directors of the WSU Foundation shall be referenced in these Bylaws as the “Board of Governors” and the individual members of said Board shall be referred to as “Governors.”

ARTICLE 2. PRINCIPAL OFFICE

The principal office of the WSU Foundation is located in downtown Pullman, Washington at:

Town Centre Building, Suite 301
P.O. Box 641925
Pullman, Washington 99164-1925

The WSU Foundation may change address or establish other offices as may from time to time be designated by its Board of Governors.

ARTICLE 3. MEMBERSHIP

3.1 Composition. The members of the WSU Foundation (“Members”) shall consist of individuals who are designated as Members by right (*i.e.*, without the need for further action to be taken) or ex officio (*i.e.* by virtue of office) as provided in Section 3.5, and those individuals elected to the Board of Trustees of the WSU Foundation. The Board of Trustees shall have no fiduciary responsibility for the general business and affairs of the WSU Foundation and is not the governing board of the WSU Foundation.

3.2 Rights of Members. The Members of the WSU Foundation shall have the right to vote on only the following matters:

- (a) To amend, alter, modify, repeal or restate the Articles of Incorporation and/or Bylaws of the WSU Foundation;
- (b) To merge, consolidate, or affiliate the WSU Foundation with another corporation, organization, or program;
- (c) To sell, lease, exchange or otherwise dispose of substantially all of the property and assets of the WSU Foundation, if not in the ordinary course of business;
- (d) To dissolve and wind-up the business and affairs of the WSU Foundation;
and
- (e) To elect the individuals to serve as Members and Governors of the WSU Foundation.

The above stated actions are reserved to the Members of the WSU Foundation, and no attempted exercise of any such powers by anyone other than the Members of the WSU Foundation shall be valid or of any force or effect whatsoever.

3.3 Duties. In addition to voting on the actions set forth in Section 3.2 above, the Members are expected to gain a comprehensive knowledge of both the WSU Foundation and University, their aspirations, missions, programs, and financial conditions. The Members are to support the fundraising goals and aspirations of the WSU Foundation and the University through their own personal commitment and by building relationships with perspective donors. The

Members are encouraged to serve on committees and task forces of the WSU Foundation, college or other unit development councils, to host special events that advance the mission of the University, and to contribute to the overall fundraising efforts of the WSU Foundation.

3.4 Number. There shall be no limit on the total number of Members, however, it is anticipated that Members may number approximately 300. The total number of elected Members, other than those who are Members by right or ex officio under Section 3.5, shall always constitute a majority of the Members.

3.5 Members by Right or Ex Officio. The following individuals shall be Members by right or ex officio, without the need for further action to be taken:

- Vice Chair of WSU Foundation Board of Governors (voting)
- President of University Alumni Association (voting)
- President of Washington State 4-H Foundation (voting)
- Past Governors of WSU Foundation (voting)
- Past Chairs of WSU Foundation Board of Trustees – 1979 to 2004 (voting)

- President of WSU Foundation (non-voting)
- Members of University Board of Regents (non-voting)
- President of University (non-voting)
- University Provost and Academic Vice President (non-voting)
- University Vice President for Business Affairs (non-voting)
- University Vice President for Equity and Diversity (non-voting)
- University Vice President for Information Systems (non-voting)
- University Vice President for Student Affairs (non-voting)
- University Vice President for University Relations (non-voting)
- Chancellor, WSU Spokane (non-voting)
- Chancellor, WSU Tri-Cities (non-voting)
- Chancellor, WSU Vancouver (non-voting)
- Director, University Intercollegiate Athletics (non-voting)
- University Academic Deans (non-voting)
- Director, University Research Foundation (non-voting)
- Director, University Museum of Art (non-voting)
- Chair of the University Faculty Senate (non-voting)
- President of the Associated Students of Washington State University (non-voting)
- President of the Graduate and Professional Students Association of Washington State University (non-voting)

3.6 Elected Members. Each year, during the annual meeting of Members, the Nominating Committee (see section 6.3.1) shall present a slate of nominees to become elected Members, listing the names of those individuals, if any, whom the Nominating Committee has identified to serve on the Board of Trustees of the WSU Foundation, and as such become Members of the WSU Foundation.

3.7 Honorary Members. The Nominating Committee may identify and submit the names of select individuals to a vote of the Members to be recognized and given honorary Member status based on his or her unique generosity, special relationship or dedicated service to the WSU Foundation. An honorary Member shall have all rights of membership in the WSU Foundation.

3.8 Term. The term of membership for each Member by right or ex officio, as provided for in Section 3.5, shall be concurrent with his or her respective term of office or appointment of position. The term of membership for each elected Member under Section 3.6 shall be three (3) years, without limitation of serving consecutive three (3) year terms, provided renominated by the Nominating Committee and elected by the Members. The term of membership for each honorary Member elected under Section 3.7 shall be for his or her lifetime.

3.9 Meetings.

3.9.1 Annual and Regular Meetings. The annual meeting of the Members shall be held in the fall of each year and a regular meeting shall be held in the spring of each year, on such dates, at such time, and at such location as the Chair of the Board of Trustees shall determine. The purposes of the annual and regular meetings shall be to transact business and coordinate activities as may come before the meeting.

3.9.2 Special Meetings. Special meetings of the Members may be called at any time by (i) the Chair of the Board of Trustees, (ii) Members representing at least twenty-five percent (25%) of the votes entitled to be cast at such meeting, (iii) the President of the WSU Foundation or (iv) the Board of Governors, upon delivering a written request to the Secretary of the WSU Foundation. Each special meeting shall be held at such location as is determined by the Chair of the Board of Trustees.

3.9.3 Adjourned Meetings. Any adjournment of a meeting of the Members may be at such time and to such place as those present may determine without new notice being given; provided that any meeting at which Governors are to be elected shall be adjourned only from day to day until such Governors are elected.

3.9.4 Notice. Written notice of the place, date, and time of each meeting of the Members, and, in the case of a special meeting the purpose for which it is called, shall be mailed by the Secretary or Assistant Secretary of the WSU Foundation to all Members not less than twenty (20) days prior to date of the meeting. Quorum. Members who attend, in person or by proxy, a duly called meeting of the Members, whether annual or special, shall constitute a quorum for the transaction of business. The Members present at such meeting may continue to do business until adjournment, notwithstanding the withdrawal of some Members. The act of a majority of the Members present, entitled to vote in person or by proxy, shall be the act of the membership of the WSU Foundation, unless a greater number of Members is otherwise required by these Bylaws, the Articles of Incorporation, or required by the laws of the State of Washington. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other

at the same time and participation by such means shall constitute presence in person at a meeting.

3.10 Voting and Proxies. Every Member shall be entitled to one (1) vote at each meeting of Members, except the ex officio Members identified in Section 3.5 as having no voting rights. A majority vote shall decide questions unless a larger vote is specifically provided for by these Bylaws, the Articles of Incorporation, or required by the laws of the State of Washington. Cumulative voting shall not be permitted. Any Member shall have the right to designate any other Member to act and vote on his or her behalf by proxy. Such proxy must be made in writing, dated and signed by the Member or by his or her attorney-in-fact, and delivered to the Secretary of the WSU Foundation prior to the meeting or meetings to which it refers. No proxy shall be valid after the expiration of six (6) months from the date of its execution, unless otherwise provided therein. A proxy shall be revocable by written document at the direction of the Member executing it if delivered to the Secretary of the WSU Foundation prior to the exercise of said proxy.

3.11 Member Roster. A complete Member roster shall at all times be held and maintained at the office of the WSU Foundation.

ARTICLE 4. GOVERNORS

4.1 Composition and Number. The Board of Governors of the WSU Foundation shall serve as the governing board of directors of the WSU Foundation. The Board of Governors shall be comprised of not less than fourteen (14) individuals nine (9) of whom shall be elected by the Members and five (5) of whom shall serve as Governors ex officio (*i.e.* by virtue of the offices or positions they hold), namely:

President of WSU Foundation (voting)
Immediate Past Chair of the Board of Governors (voting)
President of University (non-voting)
University Board of Regents Representative (non-voting)
President of University Alumni Association (non-voting)

It is anticipated that the Board of Governors may number approximately 27.

4.2 Duties. The Board of Governors shall oversee the property and assets of the WSU Foundation and direct the business and affairs of the WSU Foundation. All corporate powers given to a governing board of directors under the law shall be vested in the Board of Governors. The duties of the Board of Governors of the WSU Foundation shall include, without limitation, the following: (i) to fully understand and advance the philosophy and mission of the WSU Foundation; (ii) to advise and support the senior management of the WSU Foundation; (iii) to approve the contract for services between the WSU Foundation and the University; (iv) to review budgets and funding sources of the WSU Foundation; (v) to approve major policies and long-range plans; (vi) to evaluate and assess performance of the WSU Foundation against stipulated goals; (vii) to collaborate with the University administration and Board of Regents in review of strategic initiatives of the University and assist in prioritizing fundraising efforts and activities of the WSU Foundation; (viii) to monitor and review the work of committees and

evaluate performance of committees and Board of Governors on a consistent basis; and (ix) to provide requisite leadership and support of the comprehensive fundraising and development efforts of the WSU Foundation, including, without limitation, any and all special campaigns. The Board of Governors shall elect the volunteer officers of the WSU Foundation as described in Section 5.1 at its annual meeting.

4.3 Election/Term of Office. The Governors shall be elected by the Members upon nomination of the Nominating Committee and approval of the Board of Governors, with exception of five (5) individuals whom shall serve as Governors by virtue of the offices they hold, namely the President of University, President of University Alumni Association, University Board of Regents Representative, President of WSU Foundation, and Immediate Past Chair of the Board of Governors. The election of Governors may take place at both the annual and regular spring meetings. Beginning October 8, 2004, initial terms will be established to ensure that at least one third (1/3) of the Governors will rotate off the board each year. Thereafter, the term of office for a Governor elected by the Members shall be three (3) years. The term of office for a Governor serving ex-officio shall be concurrent with his or her respective term of office or appointment of position.

4.4 Re-election. Following one (1) full three (3) year term on the Board of Governors, a Governor is eligible for re-election to a second successive full three (3) year term on the Board of Governors, subject to renomination by the Nominating Committee, approval by the Board of Governors and re-election by the Members of the WSU Foundation. After two (2) successive full three (3) year terms, a Governor shall not be eligible for re-election to the Board of Governors until one (1) year has elapsed. Provided, however, any Governor appointed to serve as an officer of the WSU Foundation or the Immediate Past Chair of the Board of Governors may continue to serve as a Governor beyond the consecutive three (3) year terms concurrent with his or her respective term of office or appointment of position.

4.5 Vacancies. A vacancy in the Board of Governors, whether created by resignation, removal, an increase in the number of Governors or otherwise, may be filled by vote of the Board of Governors; provided that the Board of Governors shall first have received the recommendation of the Nominating Committee. Any individual elected in such a manner to fill a vacancy on the Board of Governors shall hold office until the next meeting of Members, at which time the Members may confirm the individual and/or elect a successor.

4.6 Resignation. Any Governor may resign from serving on the Board of Governors at any time by delivering written notice to the Chair of the WSU Foundation Board of Governors or its Secretary at the office of the WSU Foundation or by giving oral notice at any meeting of the Board of Governors. Any such resignation shall take effect at the time specified therein or, if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.7 Removal. Any Governor may be removed from office with or without cause, by a two-thirds (2/3) approval of all then-sitting members of the Board of Governors.

4.8 Meetings. Meetings of the Board of Governors shall be held at such time and place as determined by the Chair of the WSU Foundation Board of Governors.

4.8.1 Annual Meeting. The annual meeting of the Board of Governors shall be held in the fall of each year following the annual meeting of the Members for conducting the business and affairs at the WSU Foundation, electing officers of the WSU Foundation, and addressing all other matters as may come before the Board of Governors. During or promptly following this meeting, the Chair of the WSU Foundation Board of Governors shall announce his or her appointments to the standing and other committees of the WSU Foundation. The other regular meetings of the Board of Governors shall be scheduled for the balance of the year at the annual meeting.

4.8.2 Regular Meetings. The Board of Governors will schedule to convene for a minimum of five (5) regular meetings of the Board of Governors each year, which includes the annual meeting.

4.8.3 Special Meetings. Special meetings of the Board of Governors may be called at any time by the Chair of the WSU Foundation Board of Governors or by any three (3) Governors upon delivering a written request to the Secretary of the WSU Foundation.

4.8.4 Notice. Written notice of the place, day, and time of each meeting of the Board of Governors shall be mailed by the Secretary or Assistant Secretary to each of the Governors at least fourteen (14) days in advance of the date for the meeting. A Governor may waive notice in writing, and attendance at a meeting shall constitute such a waiver.

4.8.5 Telephone Meetings. Meetings of the Board of Governors, or any committee designated by the Board of Governors, may be executed by means of which all persons participating in the meeting can hear each other at the same time, and participation by such, constitute presence in person at such meetings.

4.8.6 Action Without Meeting. Any action that may be taken by the Board of Governors at a meeting may be taken without a meeting if all Governors consent thereto in writing prior to the action being taken.

4.8.7 Quorum. Two-thirds (2/3) of the members of the Board of Governors who are entitled to vote shall constitute a quorum at any and all meetings of the Board of Governors. The Governors present at a meeting may continue to do business until adjournment, notwithstanding the withdrawal of some Governors.

4.9 Voting. Each member of the Board of Governors shall have one (1) vote at each meeting of the Board of Governors, except that the ex officio Governors holding the offices of, or in the positions of, President of University, University Board of Regents Representative, and President of University Alumni Association shall not have voting rights. Voting at meetings of the Board of Governors shall be by each Governor in person, and a majority vote shall decide questions unless a larger vote is specifically provided for by these Bylaws, the Articles of Incorporation, or required by the laws of the State of Washington.

4.10 Powers of Governors.

4.10.1 General. The Board of Governors shall manage the entire business and affairs of the WSU Foundation. The Board of Governors may exercise all such corporate powers of the WSU Foundation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or these Bylaws directed to be exercised or done by the Members.

4.10.2 Contracts. The Board of Governors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the WSU Foundation, and such authority may be general or confined to the specific instance. Unless so authorized by the Board of Governors, no officer, agent or employee shall have any power or authority to bind the WSU Foundation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose and to any amount.

4.10.3 Board Committees. The Board of Governors may, by resolution, designate and appoint one or more Board or Executive committees, each of which shall consist of two (2) or more Governors. Such committees, to the extent provided in the resolution of the Board of Governors, shall have and exercise the authority of the Board of Governors in the management of the WSU Foundation. Provided, however, no committee shall have the authority to: (i) amend, alter, or repeal these Bylaws; (ii) elect, appoint, or remove any member of any other committee or any Governor or officer of the WSU Foundation; (iii) amend the Articles of Incorporation of the WSU Foundation; (iv) adopt a plan of merger or consolidation with another corporation; (v) authorize a sale, lease, or exchange of all, or substantially all, of the property and assets of the WSU Foundation not in the ordinary course of business; (vi) authorize the voluntary dissolution of the WSU Foundation or revoke proceedings therefor; (vii) adopt a plan for the distribution of the assets of the WSU Foundation; or (viii) amend, alter, or repeal any resolution of the Board of Governors which, by its terms, provides that it shall not be amended, altered, or repealed by committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Governors, or any individual Governor of any responsibility imposed upon it, him, or her by law.

4.10.4 Consultants. The Board of Governors may invite additional individuals with expertise in a pertinent area to meet with and assist the Board. Such consultants shall not vote or be counted in determining the existence of a quorum and may be excluded from any executive session of the Board of Governors by vote of the Governors.

4.11 Governor Roster. A complete Governor roster shall at all times be held and maintained at the office of the WSU Foundation.

ARTICLE 5. OFFICERS

5.1 Composition. The volunteer officers of the WSU Foundation shall be a Chair, a Vice Chair, a Secretary, and a Treasurer, each to be a member of the Board of Governors, and each to have such duties or functions as provided in these Bylaws or as the Board of Governors

may from time to time determine. No individual shall hold more than one of the volunteer offices. Unless a volunteer officer dies, resigns, or is removed, he or she shall hold office until the next annual meeting of the Board of Governors and until his or her successor is elected. The volunteer officers shall receive no compensation for their services as officers of the WSU Foundation.

5.2 Duties and Powers. The officers of the WSU Foundation shall have the following responsibilities and duties.

5.2.1 Chair. The Chair shall preside at all meetings of the Board of Governors and the Executive Committee; shall appoint members to committees; and shall maintain close liaison with the University President and the President of the WSU Foundation to assure coordination with and support of the University's goals, initiatives, and fundraising priorities. The Chair shall provide for policy development and guidance of the WSU Foundation and evaluate overall development efforts of the WSU Foundation. The term of office for the Chair shall be two (2) years.

5.2.2 Vice Chair. The Vice Chair shall act for the Chair whenever the latter is absent, shall assist the Chair in the responsibilities and duties of that office, shall serve as Chair of the Board of Trustees and preside at all meetings of the Members, and carry out such additional responsibilities as may be delegated to him or her by the Chair or the Board of Governors. The term of office for the Vice Chair shall be two (2) years.

5.2.3 President. The Vice President for University Development (or successor position) at Washington State University shall serve as President of the WSU Foundation. The President shall serve as the chief executive officer of the WSU Foundation subject to the policy direction of the Board of Governors. The President shall have and exercise the general powers and duties usually vested in the president of a nonprofit corporation. The President shall be an ex officio, non-voting member of all WSU Foundation committees, except the Executive Committee where he or she will be an ex officio, voting member. However, the President shall not be a member of the Audit Committee.

5.2.4 Vice Presidents. The Board of Governors may by resolution appoint one or more Vice Presidents who need not serve on the Board and delegate to each such individuals such powers and duties as the Board of Governors shall specify.

5.2.5 Secretary. The Secretary shall keep, or provide for the maintenance of, the records of the WSU Foundation, including the minutes of meetings of the Board of Governors, the Executive Committee, and other committees, and see that all notices required to be given by the WSU Foundation are duly given. The Secretary shall perform all of the other duties usually pertaining to this office and such related duties as may from time to time be assigned to him or her by the Board of Governors. The term of office for the Secretary shall be two (2) years.

5.2.6 Assistant Secretaries. The Board of Governors may by resolution appoint one or more Assistant Secretaries, who need not serve on the Board, to whom the

Secretary or Board may delegate such powers and duties as the Secretary or Board of Governors shall specify.

5.2.7 Treasurer. The Treasurer shall oversee the collection and accounting of all the money and securities and noncash assets of the WSU Foundation, shall keep or provide for the maintenance of regular books of account, and make reports of the finances of the WSU Foundation at each meeting of Members or the Board of Governors and when otherwise called upon by the Chair. The Treasurer shall perform all of the other duties usually pertaining to this office and such related duties as may from time to time be assigned to him or her by the Board of Governors. The term of office for the Treasurer shall be two (2) years.

5.2.8 Assistant Treasurers. The Board of Governors may by resolution appoint one or more Assistant Treasurers, who need not serve on the Board, to whom the Treasurer or Board may delegate such powers and duties as the Treasurer or Board of Governors shall specify.

5.3 Nomination. Each year during the annual meeting of the Board of Governors, the Nominating Committee shall present its slate of nominees to become the volunteer officers of the WSU Foundation.

5.4 Vacancies. Vacancies in offices held by volunteer officers may be filled by vote of the Board of Governors; provided that the Board shall first have received the recommendations of the Nominating Committee.

ARTICLE 6. COMMITTEES

6.1 In General. The use of committees by the WSU Foundation is a necessary and effective way to efficiently discharge the business and affairs of the WSU Foundation. The Board of Governors may establish a number of different types of committees, depending on the purpose and the extent to which the Board delegates authority to the committee to act on behalf of the WSU Foundation. The purposes, powers, and limitations of any committee of the WSU Foundation, as well as the membership, term of office, and method of appointment, shall be clearly stated in these Bylaws or by resolution. The WSU Foundation shall establish, and assemble from time to time: (i) Board or Executive Committees which have the general power to bind the WSU Foundation and act on behalf of the Board of Governors; (ii) standing committees which are permanent in nature to oversee operations, study specific areas of activity and the like, and may have limited power to bind the WSU Foundation; and (iii) special committees and advisory boards which are temporary or ad hoc groups for only limited purposes and without power to bind the WSU Foundation.

6.2 Executive Committee. The Executive Committee shall be comprised of the Governors holding the offices or positions at the WSU Foundation or University as follows:

Chair of WSU Foundation Board of Governors (voting)
Vice Chair of WSU Foundation (voting)
Secretary of WSU Foundation (voting)
Treasurer of WSU Foundation (voting)

President of WSU Foundation (voting)
President of University (non-voting)
University Board of Regents Representative (non-voting)

During the intervals between meetings of the Board of Governors the Executive Committee shall have the rights and powers of the full Board of Governors, except as otherwise provided in Section 4.10.3 of these Bylaws. The Executive Committee shall be given the necessary authority and responsibility to manage the affairs of the WSU Foundation, subject to such policies as may be adopted and such orders as may be issued by the full Board of Governors. Only Governors of the WSU Foundation shall be eligible to serve on the Executive Committee. Executive Committee members holding the offices of President of University and University Board of Regents Representative shall not have voting rights. The Executive Committee shall meet on call of the Chair of the WSU Foundation Board of Governors, and the Chair shall serve as Chairperson of the Executive Committee.

6.3 Standing Committees of the Board of Governors

6.3.1 Nominating Committee. The Nominating Committee shall assist in recruitment, orientation, training, and evaluation of new and existing Members and Governors. The Nominating Committee is charged with the responsibility of compiling slates of qualified and reputable candidates to serve as Members and Governors. These slates will be presented to the Board of Trustees for a vote of approval. The Nominating Committee will also compile a slate of qualified and reputable candidates to serve as officers of the WSU Foundation. The officer slate will be presented to the Board of Governors for a vote of approval.

6.3.2 Finance Committee. The Finance Committee shall advise, counsel, and make recommendations to the Board of Governors with regard to all financial matters affecting the WSU Foundation. The Finance Committee shall review all reports, budgets, financial statements, policies and procedures pertaining to the financial dealings and affairs of the WSU Foundation.

6.3.3 Gift Acceptance and Management Committee. The Gift Acceptance and Management Committee shall develop policies, guidelines and procedures regarding the terms of acceptance of all gifts in trust, charitable gift annuities, bargain sales, and gifts of assets which are not readily marketable (*i.e.*, real estate, tangible personal property, stock of a closely held company, interests in partnerships or limited liability companies) to be presented to the Board of Governors for approval and shall meet as needed to consider and act upon such proposed gifts. The Gift Acceptance and Management Committee shall also review and oversee the management of all assets held in trust by the WSU Foundation and shall establish policies and procedures regarding trust investment.

6.3.4 Investment Committee. The Investment Committee shall be responsible for investments, reinvestments, and general management of all gifted property and assets of the WSU Foundation and those University assets entrusted to the WSU Foundation by contract with the University, except planned gift assets under management and overseen

by the Gift Acceptance and Management Committee. The Investment Committee shall develop investment policies, to be presented to the Board of Governors for approval, for investing capital of the WSU Foundation, along with a consistent monitoring of investment performance and investment management. Investment policy and guidelines, as well as performance against benchmarks shall be reported, at least quarterly, to the Board of Governors, and the Board of Regents of the University and University administration.

6.3.5 Audit Committee. The Audit Committee shall review the WSU Foundation's financial reports and other financial information, systems of internal control, and the auditing, accounting, and financial reporting processes. The Audit Committee's primary duties and responsibilities are to serve as an independent and objective entity to monitor the financial reporting processes and internal control systems of the WSU Foundation; select the independent auditor of the WSU Foundation; review and appraise the audit efforts of the independent auditor of the WSU Foundation and provide an open avenue of communication among the independent auditor, financial and senior management of the WSU Foundation, and the Board of Governors.

6.3.6 Planning Committee. The Planning Committee shall provide advice and assist in the development of strategies for advancing the work of the WSU Foundation; ensure the WSU Foundation's strategic objectives are linked to the University's priorities; shape a program that provides for external support of fundraising, broadens the scope of fundraising, and raises it to new levels within alumni, friends, parents, corporations, and foundations; and fosters the integration of fundraising into the academic enterprise. Upon request of the Board of Governors, the Planning Committee will conduct biennial reviews of these Bylaws and of the Development Services Agreement (or successor document) between the WSU Foundation and the University to determine if modifications to the Agreement are warranted.

6.3.7 Standing Committee Chairpersons. The Chairpersons for each of the above-described standing committees shall be Governors nominated by the Chair of the WSU Foundation Board of Governors, and approved by the Board of Governors.

6.3.8 Standing Committee Composition. The Chair of the WSU Foundation Board of Governors and the Committee Chairperson shall jointly nominate the members of their respective committees, with all nominated candidates subject to approval by the Board of Governors at its next regular meeting. Committee members may include Governors, Trustees, and others as authorized by the Board of Governors.

6.3.9 Standing Committee Authority. The standing committees shall not have the general power to bind the WSU Foundation or act on behalf of the Board of Governors. All findings, observations, comments or recommendations of the standing committees shall be reported to the Board of Governors at its next regular meeting. The Board of Governors may by resolution further regulate the purposes, functions, powers and limitations of each standing committee, which may include a limited or specific power to bind the WSU Foundation.

6.4 Trustee Committees. The Board of Governors may establish trustee committees to effectuate the duties and responsibilities of the Members, none of which shall have the authority to act on behalf of the WSU Foundation or obligate the WSU Foundation, contractually or otherwise. The names, duties, and responsibilities of such committees may change from time to time and no revisions to these Bylaws shall be required to reflect such changes. The current and anticipated trustee committees may include:

| | |
|--------------------------------|------------------------------|
| Annual Giving | Recognition |
| Corporate and Foundation | Regional Leadership Councils |
| Communication | Scholarships |
| Development Advisory Council | Special Events |
| Chairs | Volunteer Orientation |
| President's Associates Cabinet | |

ARTICLE 7. CONFLICTS OF INTEREST

7.1 Definitions. A conflict of interest arises when any "Responsible Person" or any "Party Related to a Responsible Person" has an "Interest Adverse to the WSU Foundation." A Responsible Person is any individual in a position to exercise substantial influence over the affairs of the WSU Foundation, and specifically includes, without limitation, Members, Governors and Officers of the WSU Foundation and the chairperson and members of any committee making decisions on behalf of the WSU Foundation. A Party Related to a Responsible Person includes his or her extended family (including spouse, ancestors, descendants and sibling, and their respective spouses and descendants), an estate or trust in which the Responsible Person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the Responsible Person or any member of his or her extended family is a director, trustee or officer or has a financial interest. An "Interest Adverse to the WSU Foundation" includes any interest in any contract, transaction or other financial relationship with the WSU Foundation, and any interest in an entity whose best interests may be impaired by the best interests of the WSU Foundation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the WSU Foundation, an entity in which the WSU Foundation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the WSU Foundation.

7.2 Disclosure. If a Responsible Person is aware that the WSU Foundation is about to enter into any transaction or make any decision involving a conflict of interest (a "Conflicting Interest Transaction") such person shall: (i) immediately inform those charged with approving the Conflicting Interest Transaction on behalf of the WSU Foundation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the Responsible Person's knowledge that bear on the advisability of the WSU Foundation entering into the Conflicting Interest Transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

7.3 Approval of Conflicting Interest Transactions. The WSU Foundation may enter into a Conflicting Interest Transaction provided the material facts as to the Responsible Person's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of Governors or to a committee of the WSU Foundation that authorizes,

approves or ratifies the Conflicting Interest Transaction, and the Board of Governors in good faith authorizes, approves or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested Governors on the Board, even though the disinterested Governors are less than a quorum.

ARTICLE 8. AMENDMENT OF BYLAWS

These Bylaws may be altered, amended, repealed or restated by resolution of the Board of Governors and majority vote of the Members present at a meeting or represented by proxy. The Bylaws may contain any provision for the regulation and management of the affairs of the WSU Foundation that is not inconsistent with the Articles of Incorporation, Bylaws or applicable laws.

ARTICLE 9. EFFECTIVE DATE

These Restated Bylaws shall be effective on the 6th day of October, 2004.

ADOPTED BY THE GOVERNING BOARD AND
APPROVED BY THE MEMBERSHIP OF THE
WSU FOUNDATION on April 30, 2004

Mark A. Suwyn
Co-Chair of the governing board of WSU Foundation

Patricia L. Suwyn
Co-Chair of the governing board of WSU Foundation

Phyllis J. Campbell
Secretary of the WSU Foundation