

**BY-LAWS
OF
ST. JOHN FISHER COLLEGE**

**ARTICLE I
Board of Trustees**

Section 1. Powers of Trustees. The Board of Trustees shall have and exercise the corporate powers prescribed by law. Its primary functions shall be policy making and responsibility for sound resource management of the Corporation (referred to in this and the following articles as the “College”). The Board of Trustees shall further determine the general, educational and financial policies of the College, and shall have the power to carry out any other functions that are permitted by these By-laws of by the College’s charter, except as limited by law. These powers shall include but shall not be limited to the following:

1. Review and revise periodically the purposes and the mission of the College.
2. Establish policies regarding the educational programs of the College, consistent with its mission, and review and approve substantive changes in educational programs.
3. Establish policies and procedures regarding appointment, promotion, tenure and dismissal of faculty members.
4. Establish policies with regard to the terms and conditions of employment, salary policies and schedules for all staff, faculty, administrators and other employees of the College.
5. Appoint, evaluate and, where necessary, terminate the President, who shall be the Chief Executive Officer of the College.
6. Approve and authorize all earned degrees upon recommendation of the faculty.
7. Approve and authorize all honorary degrees.
8. Oversee and approve the budget of the College, and establish policy guidelines for all investments and major fund raising efforts of the College.
9. Authorize the purchase, management and sale of all land, buildings or major equipment.
10. Authorize the construction of new buildings and major renovations of existing buildings.

11. Authorize the incurring of debts by the College and securing thereof by mortgage or pledge of real and personal property tangible and intangible.
12. Authorize changes in tuition and fees within the College.
13. Designate officers or agents of the College with authority to accept gifts of bequests on behalf of the Trustees.
14. Approve the Faculty Handbook, including the Faculty Statutes and any amendments.
15. Engage in regular periodic self-assessment of the Board and its committees.

Section 2. Composition of the Board. The Board of Trustees shall consist of not more than forty (40) persons, which number may only be increased by amendment of its Charter. No person shall be eligible prior to attaining the age of eighteen (18) years. At least one member of the Board shall be a member of the Congregation of St. Basil in good standing. In addition, the Board shall appoint legal counsel as College Counsel, who shall attend meetings of the Board and its Executive Committee and perform such other duties as the President, the Chairman of the Board, or the Board of Trustees may properly direct. College Counsel may not be a member of the Board of Trustees.

Section 3. Term of Service. Trustees shall serve for three-year, staggered terms and until their successors are elected and have qualified. Trustees may succeed themselves in office, with the exception that an Alumni Trustee may serve only one term as an Alumni Trustee. The President of the College shall be an *ex officio* voting member of the Board of Trustees. The President of the Student Government Association and the chairperson of the Faculty Assembly shall serve *ex officio* on the Board of Trustees without vote.

After three (3) consecutive full three-year terms, a Trustee must leave the Board for at least one year at the expiration of which time such Trustee may be eligible for re-election.

No person of the age of seventy (75) years or older shall be eligible for election as a Trustee.

Section 4. Filing of Vacancies. Vacancies on the Board of Trustees shall be filled by election by a majority of the Trustees then in office. Vacancies at the expiration of a term shall be filled at each annual meeting of the Board. Any vacancy arising out of a removal or resignation may be filled through a special election at any regular meeting of the Board.

Section 5. Removal and Resignation. Any member of the Board of Trustees may be removed from office, for cause, at any meeting of the Board by affirmative vote of a majority of the trustees then in office, in compliance with the requirements of the Education Law, if any Trustee shall fail to attend three (3) consecutive meetings without excuse accepted as satisfactory by the Chairman of the Board of Trustees, the Trustee shall be deemed to have resigned. Prior to a meeting at which a Trustee will be absent, the Trustee shall notify the Secretary of the Board in

writing with the reason for the absence, who shall forward the request to the Board Chair. The Board Chair in his/her reasonable judgment shall decide whether to deem the excuse “accepted”.

Section 6. Alumni/ae Trustees. Up to three (3) members of the Board may be elected as Alumni/ae Trustees, serving staggered terms expiring in three (3) consecutive years. Nominations for the Alumni/ae Trustees position will be sent by the Alumni Association through the President of the College to the Governance Committee for election by the Board. An Alumni/ae Trustee may serve only one (1) term as an Alumni/ae Trustee.

Section 7. Trustees Emeriti. A Trustee who has served for a minimum of three full (3) terms may, upon recommendation of the Governance Committee, be elected by a majority of the Board as a Trustee Emeritus. This position shall be reserved for those Trustees with records of distinctive service. Trustees Emeriti shall be elected for three-year terms and may be re-elected without limit. Trustees Emeriti shall not be members of the Board of Trustees, but shall be entitled, upon request, to receive minutes of all meetings of the Board and to attend and speak at all such meetings. The chair of any committee may invite a Trustee Emeritus to be present and to participate in any meeting or generally in meetings of the committee, but without vote.

Section 8. Regular and Special Meetings. There shall be four (4) regular meetings of the Board of Trustees annually, which shall normally be held in September, December, March and June. The annual meeting for the election of Trustees and such other business as may come before the Board shall be the June meeting of each year. Special meetings shall be held whenever called by the Chairperson, the President or by the Secretary to the Board upon written demand of at least one-fifth of the members of the Board.

Section 9. Notice of Meetings. Written notice of all meetings of the Board of Trustees shall be sent by the Secretary to the Board to each Trustee at least five (5) no more than ten (10) days before the date of the meeting. In the case of a special meeting, the notice shall also state the purpose of the meeting, and no business shall be transacted at such meeting that does not relate to the purpose stated.

Section 10. Waiver of Notice. Whenever notice is required to be given under these By-laws, a waiver in writing signed by a person entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance at a meeting shall be conclusively deemed a waiver of notice of that meeting unless valid objection is made at the outset of such meeting to the failure to give proper notice.

Section 11. Action of the Board. A majority of the entire Board of Trustees shall be necessary and sufficient to constitute a quorum for the transaction of business. A majority of the Trustees present, whether or not a quorum is present, may adjourn any meeting to another time and place without notice to any Trustee. Except as otherwise provided by law or in these By-laws, the act of the Board of Trustees means action at a meeting of the Board by vote of a majority of the Trustees present at the time of the vote, if a quorum is present at such time. Any action required or permitted to be taken by the Board of Trustees or any committee may be taken by means of written consent setting forth the action so taken and signed by all members of the Board or of a committee, as the case may be. Such written consent must be filed with the minutes of the proceedings of the Board or the Committee. Attendance at meetings of the Board

of any committee may include participation by conference telephone or similar communications equipment permitting all participants in the meeting to hear all other participants.

ARTICLE II Officers of the College

Section 1. Officers of the College. The officers of the College shall be the Chairperson, one or more Vice Chairpersons, Secretary to the Board, the President and the Dean of the College. The Chairperson, Vice Chairperson(s) and Secretary to the Board shall serve for terms of two (2) years and until their successors are elected and have qualified. The Chairperson and Vice Chairperson(s) shall be members of the Board of Trustees. The Secretary to the Board may, but need not be, a member of the Board of Trustees, and may also serve as an employee of the College. The President shall serve at the pleasure of the Board under the terms of a written contract. The Dean of the College shall be appointed and terminated by the President with confirmation by the Board of Trustees.

Section 2. Chairperson and Vice Chairperson(s). The Chairperson shall preside at all meetings of the Board of Trustees, shall appoint all committees of the corporation, and shall have such other powers and duties as the Board from time to time may prescribe. In the absence of the Chair, the Vice Chairperson(s), in order of their seniority, shall perform the duties of the office of the Chairperson and have such other powers and duties as the Board may from time to time prescribe. The Chairperson of the Board shall serve as the chairperson of the Executive Committee.

Section 3. President. The President of the College shall be the Chief Executive Officer of the College and the agent of the Board of Trustees. The President shall, as educational and administrative head of the College, exercise a general superintendence over all the affairs of the institution, and bring such matters to the attention of the Board as are appropriate to keep the Board fully informed in meeting its policy-making responsibilities. Furthermore, the President shall have power, on behalf of the Trustees, to perform all acts and execute all documents to make effective the actions of the Board, and except as otherwise provided in these By-laws, shall be an *ex officio* member of all committees of the Board, except the Audit Committee. In the case of the absence or disability of the President, a Vice President of the College, appointed by the Board of Trustees, shall perform the duties of that office.

Section 4. Secretary to the Board. The Secretary to the Board shall be responsible to and report to the President. It shall be the duty of the Secretary to give proper notice of all meetings of the Board of Trustees, to keep a current list of the College's Trustees and officers and their residence addresses, to keep a record of the appointment of all committees of the Board of Trustees, to prepare materials for meetings of the Board and Executive Committee and to keep the minutes of all such meetings. The Secretary shall be custodian of the seal of the College and shall affix the seal, or cause it to be affixed, to all agreements, documents and other papers requiring the same. The Secretary shall have custody of the minute book containing the minutes of all meetings of Trustees, the Executive Committee, and any other committees which may keep minutes.

The Secretary of the Board shall be appointed by the President, and approved by the Executive Committee. The Secretary of the Board shall have no authority to bind the College except as may be directed by the President or the Board, or as otherwise expressly provided by these by-laws. The Secretary of the Board shall serve at the pleasure of the President and the Executive Committee until such time as a qualified successor is appointed.

Section 5. Dean of the College. The Dean of the College shall be its chief academic officer and serve as Vice President for Academic Affairs.

Section 6. Additional Officers. Additional officers may be elected for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board of Trustees may from time to time determine.

Section 7. Appointed Officers. The President may appoint vice presidents and such other officers as may be needed to administer the business of the College.

ARTICLE III Committees of the Corporation

Section 1. Committees of the Corporation. The Chairperson, the President or the Board of Trustees may appoint from time to time committees of the corporation, chaired by a member of the Board and consisting of such additional members (which may include persons who are not on the Board of Trustees) as may be appointed. Committees of the corporation shall have such particular duties as are specifically assigned to them and shall act in an advisory capacity; in no case shall committees of the corporation have the power or authority to bind the Board or the College.

Section 2. Academic Affairs Committee. The Academic Affairs Committee shall be a committee of the corporation, consisting of no fewer than seven (7) and no more than twelve (12) members, two (2) of whom may be members of the full-time faculty selected by the Faculty Assembly and one (1) of whom may be a student appointed by the President. It shall meet at least four (4) times annually. The Academic Affairs Committee shall, in cooperation with the President: study and appraise the quality of the College's academic program; measure the program relative to other comparable institutions in terms of teaching load, class size, student-faculty ratios, instructional expenditures, research programs, and other relevant factors; formulate desirable short-and long-range enrollment goals; advise the Finance Committee on the specifications and requirements for financing the academic programs; recommend salary, pension, and other personnel policies concerning the academic personnel; and make such reports and recommendations to the Board of Trustees relative to the forgoing as may be required by the Board.

Section 3. Student Affairs, Safety and Security Committee. The Student Affairs, Safety and Security Committee shall be a committee of the corporation, consisting of no fewer than five (5) and no more than nine (9) members, two (2) of whom may be members of the full-time faculty selected by the Faculty Assembly and one (1) of whom may be a student appointed by the President. It shall meet at least four (4) times annually. The Student Affairs, Safety and Security Committee shall review matters affecting students at the College (other than those

relating to the academic program), consider proposals on such matters, and report and make recommendations thereon to the Board of Trustees as may be required by the Board.

Section 4. Enrollment Management Committee. The Enrollment Management Committee shall be a committee of the corporation, consisting of no fewer than five (5) and no more than nine (9) members, two (2) of whom may be members of the full-time faculty selected by the Faculty Assembly and one (1) of whom may be a student appointed by the President. It shall meet at least four (4) times annually. The Enrollment Management Committee will recommend to the Board policies dealing with the recruitment and retention of full-time and part-time credit students, both undergraduate and graduate. The Committee shall review the annual recruiting and retention targets and the current fund budget supporting recruiting and retention activities and make recommendations to the Board. The Committee will receive reports on market research and competitor analysis.

Section 5. Faculty Trustee Committee. The Faculty Trustee Committee shall be a committee of the corporation, consisting of six (6) members, three (3) of whom shall be faculty members (the Chair of Faculty Assembly, the Chair of Faculty Council, and a full-time faculty member elected by the Faculty Assembly), and three (3) of whom shall be Trustees appointed by the Board Chair (at least two of whom shall be members of the Executive Committee of the Board). It shall meet at least four (4) times annually. The Faculty Trustee Committee shall maintain free and open communication between the Faculty and the Board of Trustees, in order to discuss issues of current or long-term importance to the College. More generally, the Committee shall promote respect, understanding, and trust between the Faculty and the Board of Trustees.

Section 6. Action by Committees. Action by any committee shall be in accordance with the rules governing the Board of Trustees. Minutes of committee meetings shall be distributed prior to the next meeting of the Board of Trustees.

ARTICLE IV Standing Committees

Section 1. Standing Committees. There shall be an Executive Committee, an Audit Committee, and such other standing committees of the Board of Trustees as are described in these By-laws or by resolution of the Board. Members of standing committees and their chairpersons shall be elected annually by the Board, at or following the annual meeting of the Board of Trustees. Except as provided in these By-laws, the Chairperson of the Board and the President of the College shall be *ex officio* members of all standing committees, each including at least three (3) additional Trustees. Except where otherwise provided in this Article, additional members, including persons who are not on the Board of Trustees, may be appointed.

Section 2. Executive Committee. The Executive Committee shall have all the authority of the Board, except that no such committee shall have authority as to the following matters:

- (a) The filling of vacancies in the Board or in any committee.

- (b) The fixing of compensation of the Trustees for serving on the Board or on any committee.
- (c) The amendment or repeal of the By-laws, or the adoption of new By-laws.
- (d) The amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable.

Any reference in these By-laws to the Board of Trustees shall include the Executive Committee unless the context or express provision otherwise indicates.

The Executive Committee shall consist of no fewer than eight (8) and no more than twelve (12) members, comprised of the: Chairperson; Vice Chairperson; Past Chairperson; President; the chairpersons of the Finance, Academic Affairs, Student Affairs, Safety and Security, and Development Committees; and up to four (4) at-large Trustees members. The Chairperson shall serve as chairperson of the Executive Committee. The Executive Committee shall meet regularly at least four (4) times a year on dates directed by the Chairperson. Special meetings shall be called by the Secretary to the Board at the written request of the Chairperson, the President or at least three (3) of Executive Committee members.

Section 3. Audit Committee. The Audit Committee shall consist of not less than three (3) nor more than five (5) Trustees, and shall meet at least two (2) times annually. The Audit Committee shall assist the Board of Trustees in fulfilling its responsibility to oversee the Administration's conduct of the College's financial control, reporting and accounting systems, which includes overview of the audited financial reports of the College. The Audit Committee shall recommend independent auditors to the Board and to give oversight to the annual independent audit of the College's financial statements. The Chairperson, the Vice Chairperson, chairman of the Finance Committee and the President shall not be members of the Audit Committee but may, upon invitation of the Audit Committee, attend any meeting. The Chief Financial Officer of the College shall act as staff to the Audit Committee to provide College information to assist it in fulfilling its responsibilities.

Section 4. Finance Committee. The Finance Committee shall be a standing committee, consisting of no fewer than five (5) and no more than twelve (12) Trustees, and shall meet at least four (4) times annually. The Finance Committee shall review annual operating and capital budgets prepared and presented under the direction of the President and make recommendations with respect thereto to the Board of Trustees. It shall review major financial transactions not provided for in the budget and submit proposed variances with recommendations to the Board of Trustees. The Finance Committee shall review and analyze maintenance and operations policy, recommend improvements, review and recommend approval of plans and cost estimates for new facilities and for renovation and rehabilitation of existing facilities.

Section 5. Investment Committee. The Investment Committee shall be a standing committee, consisting of no fewer than five (5) and no more than nine (9) Trustees, and shall meet at least four (4) times annually. Acting within the scope of investment policy guidelines established by the Board of Trustees upon the recommendation of the committee, the Investment Committee shall have charge of the investment funds of the College, including the power to

purchase, sell, hypothecate, exchange or otherwise transact in the securities and other investment assets of the College. The Investment Committee may engage investment counsel, custodians or other advisors, and may delegate such authority to such investment counsel or to any officer of the College subject to such limitations as the Committee may impose. The Committee shall report changes in investments to the Board of Trustees at each Board meeting. It shall from time to time prepare and submit to the Finance Committee estimates of expected investment income.

Section 6. Development Committee. The Development Committee shall be a standing committee, consisting of no fewer than five (5) and no more than twelve (12) Trustees, and shall meet at least four (4) times annually. The Development Committee shall review and recommend fund raising and public relations programs and report on fund raising progress and estimates of income to be received therefrom. Subject to Board policy, it shall be responsible for approving annual plans with regard to annual fund raising, planned giving, capital fund raising including special projects, communications, alumni relations, constituent relations, and volunteer involvement.

Section 7. Governance Committee. The Governance Committee shall be a standing committee, consisting of no fewer than five (5) and no more than nine (9) Trustees, and shall meet at least three (3) times annually. The Governance Committee shall recommend to the Board of Trustees nominations for Trustees and officers to be elected by the Board, furnishing information relating to the background and qualifications of each nominee at least two (2) weeks prior to the Board meeting at which an election is to take place. It shall also, subject to the requirements set forth in these By-laws, nominate Trustees Emeriti. The Governance Committee shall develop and administer a program of orientation for newly-elected Trustees, and shall be responsible for an annual evaluation of Trustee performance. The Governance Committee shall review the governing documents of the College (including, but not limited to its Charter, By-laws and Faculty Statutes) on a semi-annual basis and suggest any changes to the Board of Trustees for their consideration.

Section 8. Conflicts Committee. The Conflicts Committee shall be a standing committee, consisting of no fewer than three (3) nor more than five (5) Trustees. The Conflicts Committee shall meet at least annually and at such other times as called by the President, who shall serve as an *ex officio*, non-voting member of the committee. The Conflicts Committee shall review, in accordance with the procedures set forth in Article VII of these Bylaws, proposed contracts and transactions involving a conflict of interest with any Trustee or officer, or with an employee who is not an officer when the matter is referred to the Conflicts Committee by the President. If any conflict of interest should involve a member of the Conflicts Committee, then the Chairperson of the Board (or, if the matter also involves a conflict of interest with the Chairperson, the Vice Chairperson) shall select an alternate Trustee to serve on the Conflicts Committee in the place of the member with the conflict of interest for the purpose of reviewing that matter.

Section 9. Action by Committees. Action by any committee shall be in accordance with the rules governing the Board of Trustees. Minutes of committee meetings shall be distributed prior to the next meeting of the Board of Trustees.

ARTICLE V
Discrimination Prohibited

Section 1. Generally. In administering its affairs, the College shall not discriminate against any person on the basis of race, creed, color, national or ethnic origin, marital status, sex, or age.

Section 2. Use of Language. In interpreting these by-laws, all masculine pronouns shall be deemed to refer equally to the feminine gender.

ARTICLE VI
Indemnification of Officers and Trustees

Section 1. Authorized Indemnification. Unless clearly prohibited by law or Section 2 of this Article, the College shall indemnify, defend and hold harmless any person (“Indemnified Person”) made, or threatened to be made, a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by or in the right of the College, by reason of the fact that he (or his testator or intestate), whether before or after adoption of this Section, (a) is or was a Trustee or officer of the College, or (b) in addition is serving or served at the request of the College, any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the College shall have consented to such settlement) and reasonable expenses, including attorneys’ fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

Section 2. Prohibited Indemnification. The College shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board of Trustees in good faith determines, that (a) the acts of the Indemnified Party were material to the claim, actual or threatened, and (i) were committed in bad faith or (ii) were the result of active and deliberate dishonesty, or (b) the Indemnified Party personally gained in fact a financial profit or other advantage to which he was not legally entitled.

Section 3. Advancement of Expenses and Employment of Counsel. All expenses reasonably incurred by an Indemnified Party in connection with a claim, threatened or actual, with respect to which such person is or may be entitled to indemnification hereunder shall be advanced or promptly reimbursed by the College to the Indemnified Party in advance of any final disposition of such claim upon receipt of an undertaking by the Indemnified Party to repay the amount of each advance to the extent to which the Indemnified Party is ultimately found not to be entitled.

The College will employ counsel for the common defense of any claim, actual or threatened, against itself and any Indemnified Parties unless there is an actual or threatened, against itself and any Indemnified Parties unless there is an actual or threatened potential conflict of interest between the College and one or more of the Indemnified Parties, as either the College

or the Indemnified Parties may determine, in which event the Indemnified Parties may employ counsel collectively or as they each may reasonably determine.

Section 4. Indemnification of Others. Unless clearly prohibited by law or Section 2 of this Article, the Board of Trustees may approve College indemnification or advancement of expenses as set forth in this Article to a person (or the testator or intestate of a person) who is or was employed by the College or who is or was a volunteer for the College, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the College in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity.

Section 5. Determination of Indemnification. Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court, the Board of Trustees shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these By-laws. No Trustee with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in determining (1) whether indemnification violates the exclusions set forth in Section 2 or (2) whether the expenses for which indemnification is sought were reasonably incurred. If a quorum of disinterested Trustees is not obtainable, the Board of Trustees shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these By-laws.

ARTICLE VII

Conflicts of Interest

Section 1. Definition of Conflict of Interest. A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence College policies or actions which involve or could ultimately harm or benefit financially: (a) the individual; (b) any family member (spouse, domestic partner, grandparents, parents, children, grandchildren, great grandchildren, brothers or sisters (whether whole or half-blood), and spouses of these individuals); or (c) any organization in which he or a family member is a director, trustee, officer, member, partner or more than 10% of the total (combined) voting power. Service as a director, trustee or officer of another not-for-profit entity with an exclusively charitable, educational or governmental purposes and exempt form taxation does not constitute a conflict of interest

Section 2. Required Disclosures. A Trustee or officer shall disclose a conflict of interest: (a) prior to voting on or otherwise discharging his duties with respect to any matter involving the conflict which comes before the Board or any committee; (b) prior to entering into any contract or transaction involving the conflict; (c) as soon as possible after the Trustee or officer learns of the conflict; and (d) on the annual disclosure form.

The Secretary of the College shall distribute annually to all Trustees, officers and key employees (as identified by the Corporation), a form soliciting the disclosure of all conflicts of

interest, including specific information concerning the terms of any contract or transaction with the Corporation and whether the process for approval set forth in this policy was used. Such disclosure form may require disclosure of other relationships that may not constitute an actual conflict of interest, but which are required to be disclosed in order for the College to comply with its annual reporting requirements.

Section 3. No participation on behalf of the College. No individual shall participate in any act or process to approve or enter into any transaction presenting a conflict of interest involving that individual. This includes, but is not limited to, engaging in any debate, decision, vote or document execution at, for, or on behalf of the College.

Section 4. Approval of Contracts and Transactions Involving Potential Conflicts of Interest. No officer or other individual who is otherwise authorized to execute any contract or enter into any transaction on behalf of the College shall do so with knowledge of that it presents a conflict of interest not yet resolved by application of the procedures set forth below.

A Trustee or officer who has or learns about a potential conflict of interest should disclose promptly to the Secretary of the College the material facts surrounding any potential conflict of interest, including specific information concerning the terms of any contract or transaction with the College. All effort should be made to disclose any such contract or transaction and have it approved by the Board before the arrangement is entered into.

If a proposed contract or transaction presents an actual or potential conflict of interest involving a Trustee or officer, then that proposed contract of transaction must be submitted to the Conflicts Committee, the Conflicts Committee shall consider the material facts concerning the proposed contract or transaction, including the process by which the decision was made to recommend entering into the arrangement on the terms proposed. The Conflicts Committee shall approve only those contracts or transactions in which the terms are fair and reasonable to the College and the arrangements are consistent with the best interests of the College. Fairness includes, but is not limited to, the concepts that the College should pay no more than fair market value for any goods or services which the College receives and that the College should receive fair market value consideration for any goods or services that it furnishes others.

The Conflicts Committee shall document and contemporaneously record in its minutes the basis for its decision to approve any contract or transaction involving a conflict of interest, including the basis for determining that the consideration to be paid is fair to the College. The Conflicts Committee may set conditions as part of its approval of contracts or transactions.

Section 5. Validity of Actions. No contract or other transaction between the College and one or more of its Trustees or officers, or between the College and any other corporation, firm, association or other entity in which one or more of its Trustees or officers are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such Trustee or Trustees or officer or officers are present at the meeting of the Board of Trustees, or of a committee thereof, which authorizes such contract or transaction, or that his or their votes are counted for such purpose, if the material facts as to such Trustee's or officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board or

committee, and the Board or committee authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested Trustee or officers. Common or interested Trustees may be counted in determining the presence of a quorum at a meeting of the Board of Trustees or committee which authorizes such contract or transaction. At the time of the discussion and decision concerning the authorization of such contract or transaction, the interested Trustee or officer should not be present at the meeting.

Section 6. Employee Conflicts of Interest. An employee of the College with a potential conflict of interest in a particular matter shall promptly and fully disclose the potential conflict to his supervisor. The employee shall thereafter refrain from participating in deliberations and discussion, as well as any decisions, relating to the matter and follow the direction of the supervisor as to how the College decisions which are the subject of the conflict will be determined. The President shall be responsible for determining the proper way for the College to handle College decisions which involve unresolved employee conflicts of interest. In making such determinations, the President may consult with legal counsel.

The President shall report to the Board at least annually concerning employee conflicts of interest which have been disclosed and contracts and transactions involving employee conflicts which the President has approved.

Section 7. Report to Full Board. The Conflicts Committee shall report to the full Board at least annually concerning conflicts of interest that have been disclosed and contracts and transactions involving conflicts that have been approved.

ARTICLE VIII Director and Officer Compensation

Section 1. Reasonable Compensation. It is the policy of the College to pay no more than reasonable compensation for personal services rendered to the College by officers and employees. The Trustees of the College shall not receive compensation for fulfilling their duties as Trustees, although Trustees may be reimbursed for actual out-of-pocket expenses which they incur in order to fulfill their duties as Trustees. Expenses of spouses will not be reimbursed by the College unless the expense is necessary to achieve a College purpose.

Section 2. Approval of Compensation. The Executive Committee must approve in advance the amount of compensation for the President of the College and may reserve the right to approve any contract relating to appointed officer compensation and benefits which shall otherwise be the responsibility of the President. The Executive Committee may appoint an Executive Compensation Subcommittee to undertake the evaluation and research necessary and make recommendations to the Executive Committee. The Chairman of the Board of Trustees and such other persons as are requested will provide an evaluation of the President.

The President annually will meet with the Executive Committee, or the executive Compensation Subcommittee, and provide an evaluation of the appointed officers of the College, and their proposed compensation.

Before approving the compensation of any officer, the Executive Committee should determine that the total compensation to be provided by the College to the officer is reasonable

in amount in light of the position, responsibility and qualification of the officer for the position held, including the result of an evaluation of the officer's prior performance for the College, if applicable. In making the determination, the Executive Committee shall consider total compensation to include the salary and the value of all benefits provided by the College to the individual in payment for services. At the time of the discussion and decision concerning an officer's compensation, the officer should not be present in the meeting. The Executive Committee should assure that appropriate data as to comparable compensation paid to similar officers in like circumstances is obtained and should use this data in their decision-making. The Executive Committee shall set forth the basis for its decision with respect to compensation in the minutes of the meeting at which the decision is made, including the primary conclusions of the evaluation and the basis for determining that the individual's compensation was reasonable in light of the evaluation and comparability data.

Section 3. Report to the Full Board. The Executive Committee shall report to the full Board of Trustees at its next meeting following a decision setting officer compensation, including the conclusions concerning the evaluation of officers and the establishment of their compensation.

ARTICLE IX

Amendment of By-laws

These By-laws may be amended at any meeting of the Trustees by two-thirds vote of those present, provided notice of the proposed amendment is sent to all the Trustees at least ten (10) days before the meeting.