

BYLAWS
OF
DESERT COLLEGE FINANCING CORP.

ARTICLE I
OFFICES

Section 1. Office. The principal office of the Corporation for the transaction of business shall be 45524 Oasis Street, Indio, California, 92201. The Board of Directors (the "Board") may, however, fix and change from time to time the principal office from one location to another by noting the change of address in the minutes of the meeting of the Board at which the address was fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

ARTICLE II
MEMBERSHIP

Section 1. Corporation Without Members. This Corporation shall have no members. Any action which would otherwise require membership approval shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the Board.

ARTICLE III
DIRECTORS

Section 1. Powers. Subject to the limitations of the Articles of Incorporation of the Corporation, the terms of these Bylaws, and the laws of the State of California, the powers of the Corporation shall be vested in and exercised by and its property controlled and its affairs conducted by the Board.

Section 2. Number. The Corporation shall have five (5) Directors. Directors are collectively to be known as the Board. The number of Directors may be changed by a Bylaw or amendment thereof duly adopted by the Board.

Section 3. Selection Tenure of Office and Vacancies. The first two (2) Directors named below, and any successor to those two (2) Directors in accordance with these Bylaws, constitute the "District Designated Directors," and the last three (3) Directors named below, and any successor to those three (3) Directors in accordance with these Bylaws, constitute the "Non-

District Designated Directors.” The initial term of each of the initial District Designated Directors shall expire at the seventh (7th) annual meeting of the Directors. The initial term of the initial first Non-District Designated Director named below shall expire at the seventh (7th) annual meeting of directors, and the initial term of the initial second Non-District Designated Director named below shall expire at the sixth (6th) annual meeting of directors and the initial term of the third Non-District Designated Director named below shall expire at the fifth (5th) annual meeting. Thereafter, a Director (and his or her successor) shall be appointed for a term of seven (7) years. Directors may be elected for successive terms. Despite the expiration of Directors’ terms, Directors shall continue to serve until their successors shall have been appointed and qualified or until their earlier death, incapacity, resignation, or removal.

District Designated Directors

Joel L. Kinnamon, Ed.D
c/o College of the Desert
43-500 Monterey Avenue
Palm Desert, CA 92260

Becky Broughton
c/o College of the Desert
43-500 Monterey Avenue
Palm Desert, CA 92260

Non-District Designated Directors

Daniel Martinez
100 Civic Center Mall
Indio, CA 92201

Michael Wilson
100 Civic Center Mall
Indio, CA 92201

Larry Salas
52911 Van Buren
Coachella, CA 92236

If a vacancy occurs with respect to a seat held by a District Designated Director as a result of there being a vacancy with respect to the President position or the Chair position at Desert Community College District, State of California (the “District”), then such vacancy shall be filled when such officer position at the District is filled. If a vacancy occurs with respect to a seat held by a Non-District Designated Directors, such vacancy shall be filled by an individual appointed by the remaining Non-District Designated Director. If for any reason all three of the Non-District Designated Director seats are vacant at the same time, such vacancies shall be filled by individuals appointed by the last Non-District Designated Director to serve as such, or if such individual is unable or unwilling, then by the Non-District Designated Director preceding such

individual; provided such individual is not currently serving on the Board of Trustees of the District or is an employee of the District. Under no circumstances shall Non-District Designated Directors be individuals that serve on the Board of Trustees of the District or that are employees of the District. The term of a Non-District Designated Director appointed to fill a vacancy in the office of a Non-District Designated Director shall expire at the end of the unexpired term which such appointed Non-District Designated Director is filling.

Section 4. Compensation. Members of the Board shall serve without compensation but each member of the Board may be reimbursed his or her necessary and actual expenses, including travel incident to his or her services as a member of the Board, pursuant to resolution of the Board. Any member of the Board may elect, however, to decline said reimbursement.

Section 5. Organizational Meetings. Immediately following the annual meeting of the Board or any special meeting of the Board at which Directors shall have been elected, the Directors shall meet for the purpose of organizing the Board, the election of officers, if required, and the transaction of such business as may come before the meeting. Pending such organizational meeting, all officers of the Corporation shall hold over, except any officer required by law or these Bylaws to be a Director and who does not qualify as a Director. A Director elected at such meeting of the Board shall forthwith become a member of the Board for purposes of such organization.

In the event such an organizational meeting shall not be held immediately following such meeting of the Board, it shall thereafter be held at the next regular meeting or at a special meeting and notice thereof shall be given in the manner provided in Section 7 of this Article III for notice of special meetings.

Section 6. Regular Meetings. Regular meetings of the Board shall be held at such time as the Board may fix by resolution from time-to-time; *provided, however,* that at least one regular meeting shall be held each year and such meetings shall, in all respects, conform to provisions of the Ralph M. Brown Act, being Sections 54950 through 54961 of the Government Code of the State of California (the "Brown Act") and in all events there shall be in attendance at least one officer of the Corporation.

Section 7. Special Meetings. Special meetings of the Board shall be called, noticed and held in accordance with the provisions of Section 54956 of the Brown Act and in all events there shall be in attendance at least one officer of the Corporation.

Section 8. Quorum. A quorum shall consist of a majority of the members of the Board unless a greater number is expressly required by statute, by the Articles of Incorporation of the Corporation, or by these Bylaws. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum shall be present, shall be the act of the Board.

Section 9. Participation. Subject to the requirements of the Brown Act, members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all participants in such meeting can hear one another.

Section 10. Notice of Meetings. Subject to the requirements of the Brown Act, notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of all meetings of the Board shall also be provided to the officers of the Corporation at least 72 hours prior to the date and time of any meeting.

Section 11. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors meeting to another time or place. Notice of the time and place of holding an adjourned meeting shall be given to each Director by the President, when appointed, or Secretary.

Section 12. Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

Section 13. Business Meetings and Order of Business. The order of business at the regular meeting of the Board and, so far as possible, at all other meetings of the Board, shall be essentially as follows, except as otherwise determined by the Directors at such meeting:

(a) Reading of the notice of the meeting and proof of the delivery or mailing thereof, or the waivers of notice of the meeting then filed, as the case may be.

(b) Report on the number of Directors present in person in order to determine the existence of a quorum.

(c) Reading of unapproved minutes of previous meetings of the Board and the taking of action with respect to approval thereof.

(d) Presentation and consideration of reports of officers and committees.

(e) Unfinished business.

(f) New business.

(g) Adjournment.

Section 14. Resignation of Director. Any Director of the Corporation may resign at any time by giving written notice to the President or to the Board; *provided, however,* in the event of such resignation, such Directors position shall remain vacant until a new member of the Board is elected to fill such Director's position. 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. The resignation described herein 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. Any Director may be removed by a majority of the Directors at any meeting of the Directors if such Director is given 48 hours' written notice, which indicates that the removal of said Director will be proposed and acted upon at such meeting.

Section 15. Liability. The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation and no Director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

Section 16. Indemnity by Corporation for Litigation Expenses of Officers, Directors and Employees.

(a) For the purposes of this section, "agent" shall mean any person who is or was a director, officer or employee of the Corporation.

(b) For the purposes of this section, "proceeding" shall mean any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative.

(c) For the purposes of this section, "expenses" shall mean, without limitation, attorney fees and any expenses incurred in the defense of the proceeding.

(d) In the event of any proceeding brought against an agent of the Corporation, encumber alone or with others (other than an action by or in the name of the Corporation, an action brought under Section 5233 of the California Corporations Code, or an action brought for any breach of duty relating to assets held in charitable trust) by reason of the fact that person was an agent of the Corporation, the Corporation shall indemnify that person against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if that person acted in good faith and in a manner that 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 that person was unlawful.

(e) In the event of a proceeding brought against an agent of the Corporation, either alone or with others, is brought by or in the right of the Corporation, or brought under Section 5233 of the California Corporations Code, or brought by the California Attorney General for breach of any duty for any breach of duty relating to assets held in charitable trust, by reason of the fact that person was an agent of the Corporation, the Corporation shall indemnify that person against expenses actually and reasonably incurred if that person acted in good faith, in a manner that person believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a similar position would use under similar circumstances.

(f) Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount if it shall be determined ultimately that the agent is not entitled to be indemnified. The agent's obligation to reimburse may be unsecured and no

interest shall be charged thereon.

(g) **Nonprofit Insurance.** The Corporation shall, in accordance with the provisions of Section 5239 of the California Nonprofit Public Benefit Corporation Law, obtain, or shall make all reasonable efforts in good faith to obtain, a liability insurance policy issued to the Corporation, either in the form of a general liability policy or a director's and officer's liability policy, or personally to each Director or executive committee officer, as such term is defined in Section 5239 of the California Nonprofit public Benefit Corporation Law. Notwithstanding the foregoing, the Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee or agent in such capacity or acting out of the officer's, director's, employee's or agent's status as such.

ARTICLE IV

OFFICERS

Section 1. **Officers.** The officers of the Corporation shall be a President, a Vice President and Treasurer, a Secretary and such other officers as the Board may appoint. The President, Vice President, Secretary, Treasurer and any other officer, need not be members of the Board. When the duties do not conflict, one person may hold more than one of these offices. The Corporation may also have, at the discretion of the Board, one or more Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers. The President, Vice President, Secretary, and Treasurer shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

Section 2. **Appointment and Term.** The Board shall appoint the officers (including assistant officers) of the Corporation. Each initial officer or any new officer of the Corporation appointed by the Board shall hold office until the first annual meeting of the Board after his or her appointment, and until his or her successor shall have been duly appointed, or until his or her earlier death, incapacity, resignation, or removal as hereinafter provided. Thereafter, each officer shall be appointed at each annual meeting of the Board and shall hold office until his or her successor shall have been duly appointed or until his or her earlier death, incapacity, resignation, or removal as hereinafter provided. The initial officers are:

Joel L. Kinnamon, Ed.D, President and Treasurer
Becky Broughton, Vice President and Secretary

Section 3. **Other Officers.** The Board may elect or authorize the appointment of such other officers than those hereinabove 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 from time to time may authorize or determine.

Section 4. **Removal of Officers.** Any officer may be removed, either with or without cause, by a super-majority (80% or greater) of the Directors then in office at any regular or special meeting of the Board, or, except in the case of an officer chosen by the Board, by any

officers upon whom such power of removal may be controlled by the Board of Director. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for said office has been elected and appointed.

Section 5. President. The President or a duly authorized designee shall preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board or be prescribed by the Bylaws. The President shall be permitted to designate such designees or agents to carry out the President's powers upon the express instructions of the Board. The President shall have the general powers and duties of management usually vested in the office of President of a corporation and shall have such other powers and duties as may be prescribed by the Board or by these Bylaws.

Section 6. Vice President. In the absence or disability of the President, the Vice President, or the Vice Presidents in order of their ranks as determined by the Board, or if not ranked, the Vice President District Designated by the Board, shall perform all the duties of the President and when so acting shall have all the powers of and be subject to all of the responsibilities upon the President. The Vice Presidents shall have such other powers and perform such other duties as may from time-to-time be prescribed for them, respectively, by the Board or by these Bylaws.

Section 7. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board may order, of all meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the Board of the Corporation, shall keep the corporate records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

Section 8. Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct amounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Director. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be District Designated by the Directors. He or she shall disburse the funds of the Corporation as shall be ordered by the Board, shall render to the President and the directors whenever they shall request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation, shall make proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and the Assistant Treasurers in the order of their seniority as specified by the Directors shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of the Secretary or Treasurer and shall perform such duties as the Board shall prescribe.

ARTICLE V

OBJECTS AND PURPOSES

Section 1. Nature of Objects and Purposes. The business of the Corporation is to be operated and conducted in the promotion of its objects and purposes as set forth in its Articles of Incorporation.

Section 2. Dissolution. The Corporation may be dissolved by vote of a super-majority of the Directors, or by the action of the Board in accordance with the provisions of California law. Upon the dissolution of the Corporation, and after payment or provision for payment, all debts and liabilities, the assets of the Corporation shall be distributed to the District. If for any reason the District is unable or unwilling to accept the assets of the Corporation, said assets will be distributed to the Federal Government; to a state or local government for public purposes; or to a nonprofit fund, foundation, or corporation which is organized and operated for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code").

Section 3. Merger. The Corporation may merge with other corporations organized solely for nonprofit purposes, qualified and exempt from Federal taxation pursuant to Section 501(c)(3) or 501(c)(4) of the Code and from State taxation, upon compliance with the provisions of California law relating to merger and consolidation.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Payment of Money Signatures. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and any and all securities owned by or held by the Corporation requiring signature for 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.

Section 2. Execution of Contracts. The President, Vice President and Treasurer are authorized to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances and unless 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 in any amount.

Section 3. Fiscal Year. The fiscal year of the Corporation shall commence on the 1st day of July of each year and shall end on the last day of June of the next succeeding year.

Section 4. Audit. The affairs and financial condition of the Corporation shall be audited annually at the end of each fiscal year (as provided in Section 3 above) commencing with fiscal year 2013-2014 by an independent certified public accountant selected by the Board and a

written report of such audit and appropriate financial statements shall be submitted to the Board prior to the next regular meeting of the Board of the Corporation following the completion of such audit. Additional audits shall be performed as considered necessary or desirable by the Board.

ARTICLE VII

EXEMPT ACTIVITIES

Notwithstanding any other provisions of these Bylaws, no Director, officer, employee or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) or 501(c)(4) of the Code, and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

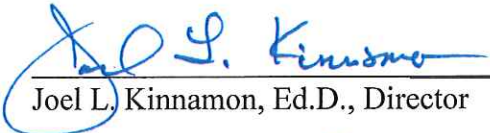
ARTICLE VIII

AMENDMENT TO BYLAWS

These Bylaws may be adopted, amended or repealed by majority vote of the Board.

ADOPTED by this Board of Desert College Financing Corp. on 6/16, 2014.

BY:



Joel L. Kinnamon, Ed.D., Director



Becky Broughton, Director



Daniel Martinez, Director



Michael Wilson, Director




Larry Salas, Director

SECRETARY'S CERTIFICATE

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Desert College Financing Corp., a California nonprofit public benefit corporation and that the foregoing Bylaws constitute a full, true and correct copy of the Bylaws of said Corporation in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16 day of June, 2014.


Becky Broughton, Secretary