



**GOVERNANCE DOCUMENT
OF
CATHOLIC EDUCATION FOUNDATION**

ARTICLE I

MISSION STATEMENT AND ORGANIZATION

The Catholic Education Foundation of the Archdiocese of Los Angeles (“Foundation”) was organized in 1988 pursuant to Declaration of Trust dated November 17, 1987 as fully restated effective July 1, 2004 (“Declaration of Trust”). The Foundation is an independent charitable trust committed primarily to providing tuition assistance to the most financially deserving students attending Parish elementary schools in the Archdiocese or Catholic high schools within the Archdiocese that particularly assist a financially deserving population. The Foundation believes that an excellent education in a Catholic school is an “Advantage for Life”, especially for the poor and underserved children in the Archdiocesan schools.

PRINCIPAL OFFICE

The principal office for the transaction of the business of the Foundation ("principal executive office") is located at 3424 Wilshire Blvd, Los Angeles, California in Los Angeles County, and such other places determined by the Board of Trustees.

ARTICLE II

OBJECTIVES AND PURPOSES

The purpose of the Foundation is to apply all Property of the Foundation, as defined in the Declaration of Trust, for religious and/or education purposes as those terms are described in Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended; (“Code”). The Foundation shall provide tuition assistance to the most financially deserving students attending Parish elementary schools in the Archdiocese and Catholic high schools within the Archdiocese that particularly assist a financially deserving population; and, as available, may provide tuition assistance for qualified teachers and administrators within the Archdiocese who participate in approved leadership programs to enhance their contributions as educators. The Foundation may also administer otherwise restricted funds accepted by the Foundation pursuant to Section 7.03 of this Declaration of Trust.

ARTICLE III

NON-PARTISAN ACTIVITIES

This Foundation is a Charitable Trust and is not organized for the private gain of any person. No substantial part of the activities of the Foundation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the Foundation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. This Foundation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

ARTICLE IV

TRUSTEES

Section 4.01 Definitions. In this Governance Document, references to "Trustees" or "Board of Trustees" means one or more Trustees for the time they are serving in such capacity pursuant to their appointment by the Settlor in accordance with the terms of the Declaration of Trust.

Section 4.02 Trustees. The Trustees shall consist of not more than forty (40) individual persons each selected and appointed by the Settlor. Persons designated as ex-officio Trustees shall become a Trustee when they assume the specified office in the Archdiocese.

Section 4.03 Status of Trustees. The authority of the Trustees is such as is conferred upon them by the Declaration of Trust and any amendments thereto. Successor Trustees shall have the same rights, powers and duties as their predecessors.

Section 4.04 Committees. The Trustees may appoint such committees as the Board determines are necessary to assist the Trustees in the conduct of the affairs of the Trust. Committees shall have the specified duties and obligations but no committee may, without approval of the Board of Trustees take any action to amend or repeal any resolution of the Trustees which, by its express terms cannot be amended or repealed; or may conduct the affairs of this Foundation in any manner or for any purpose contrary to the provisions of the Declaration of Trust, this Governance Document, Section 501(c)(3) of the Code and the Regulations thereunder in effect from time to time or the other laws applicable to the Foundation. The Committees shall be as follows:

(a) Executive Committee. The Executive Committee shall be composed of the Chairman, the President, the First and Second Vice Presidents, the Secretary, the Treasurer and up to seven (7) trustees selected by the President. The Executive Committee shall perform such duties as assigned by the Board of Trustees. All recommendations of the Executive Committee shall be reported to the Board of Trustees for action, as needed, at the first meeting following such action.

(b) Finance Committee. The Finance Committee shall be composed of the Treasurer, the Trustee who is also the Chief Financial Officer of the Archdiocese, and two or more Trustees selected by the President. The Finance Committee will advise the Board on the financial affairs of the Foundation, including the engagement with outside auditors, financial procedures, investment of Foundation funds, internal controls, donor compliance, pledge valuation, and other matters assigned by the Board.

(c) Development Committee. The Development Committee shall be composed of up to fifteen (15) Trustees selected by the President. The Development Committee will plan and implement the fundraising activities of the Foundation, including the identification of forms of giving, and year-round campaign strategy. The Executive Director is responsible to report on Development Committee results to the Board.

(d) The Board of Trustees shall appoint such other committees or subcommittees as it may determine are necessary or appropriate to assist the Board in performing its duties.

ARTICLE V

Meetings

SECTION 5.01 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

Regular meetings of the Board may be held at any place within or outside the State of California that has been designated from time to time by Resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the Foundation. Special meetings of the Board shall be held at the principal executive office of the Foundation. Notwithstanding the above provisions of this Section, a regular or special meeting of the Board of Trustees may be held at any place consented to in writing by all Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone, electronic video screen communication or similar communication equipment, as long as all Trustees participating in the meeting can communicate with one another, and all such Trustees shall be deemed to be present in person at such meeting, subject to any requirements of law.

SECTION 5.02 ANNUAL MEETING

Annual meetings of the Board of Trustees shall be held for the purpose of organization, recognition of newly appointed Trustees, election of officers and the transaction of other business. Unless otherwise determined by action of the Board of Trustees, the annual meeting shall be held on the third Tuesday of September each year at 3:00 P.M., Pacific time; provided, however, that should said day fall on a legal holiday, then the annual meeting shall be held at the same time and place on the next business day. Notice of this meeting shall not be required.

SECTION 5.03 REGULAR MEETINGS

Other regular meetings of the Board shall be held on call at such time as shall from time to time be fixed by the Board. Such regular meetings shall be held with notice.

SECTION 5.04 SPECIAL MEETINGS

(a) Authority to call. Special meetings of the Board may be called for any purpose at any time by the Chairman, the President, the Secretary or any five (5) Trustees.

(b) Notice. The notice shall state the time and place for the special meeting and the purpose of the meeting.

(i) Notice of the time and place of special meetings shall be given to each Trustee by one of the following methods: (a) by personal delivery or written notice; (b) by first-class mail, postage paid; (c) by telephone communication, either directly to the Trustees or to a person at the Trustee's office who would reasonably be expected to communicate such notice promptly to the Trustee, and including a voice messaging system or other system or technology designed to record and communicate messages; (d) by telegram, charges prepaid; (e) by facsimile; or (f) by electronic mail or other electronic means. All such notices shall be given or sent to the Trustees address, telephone number, facsimile number or e-mail address as shown on the records of the Foundation.

(ii) Notices sent by first class mail shall be deposited into a United States mail box at least four days before the time set for the special meeting. Notices given by personal delivery, telephone, telegraph, facsimile or electronic mail or other electronic means shall be delivered, telephoned, given to the telegraph company or sent by facsimile or electronic mail or other electronic means at least 48 hours before the time set for the meeting.

SECTION 5.05 QUORUM

A majority of the authorized number of Trustees shall constitute a quorum for the transaction of any business other than to adjourn the meeting as provided in Section 5.07 below. Every act or decision done or made by a majority of all of the Trustees then in office, i.e. 13 of a 25 person Board, shall be regarded as the act of the Board.

SECTION 5.06 WAIVER OF NOTICE

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present, and either before or after the meeting, each of the Trustees not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes of the

meeting. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

SECTION 5.07 ADJOURNMENT

A majority of the Trustees present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

SECTION 5.08 NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Trustees who were not present at the time of the adjournment.

SECTION 5.09 ACTION WITHOUT MEETING

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

ARTICLE VI

OFFICERS

Section 6.01 Officers. The officers of the Foundation shall be a Chairman, a President, two (2) Vice-Presidents, as may be determined by the Chairman, a Treasurer and a Secretary.

Section 6.02 Election and Term of Office. The President, each Vice-President, the Treasurer and the Secretary of the Foundation shall be elected annually by the Board of Trustees and shall hold office until said officer shall resign or shall be removed by the Board of Trustees or the successor Trustee is elected.

Section 6.03 Removal and Resignation. Any officer elected by the Board of Trustees may be removed by the Board of Trustees, either with or without cause by written notice to the officer. Any officer may resign at any time by giving written notice to the Foundation. Any such resignation or removal shall take effect at the date of delivery of such notice, or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation or removal shall not be necessary to make it effective.

Section 6.04 Vacancies. A vacancy in any office because of death, resignation or removal of a Trustee, shall be filled by the Board of Trustees, as they occur to complete the existing terms and not on an annual basis.

Section 6.05 Chairman. The Settlor shall designate the current Ordinary or his designee as the Chairman. The Chairman shall preside and chair all meetings he attends.

Section 6.06 President. Subject to the control of the Board of Trustees, the President of the Foundation shall be charged with the general supervision, management and control of all the affairs of the Foundation. The President shall chair all meetings not attended by the Chairman.

Section 6.07 First Vice President. In the absence of the President, or in the event of the President's death, inability or refusal to act, a Vice-President shall take the President's place and perform his or her duties.

Section 6.08 Second Vice President. The second Vice President shall act in the absence of the First Vice President.

Section 6.09 Treasurer. The Treasurer shall chair the Finance Committee.

Section 6.10 Secretary. The Secretary shall keep or cause to be kept the minutes of the meetings of the Board of Trustees in one or more books provided for that purpose, shall distribute notices in accordance with the provisions of their Declaration of Trust or as required by law, be custodian of the Foundation's records, and in general perform all duties as from time to time may be prescribed by the President or the Board of Trustees.

Section 6.11 Executive Director. The Board of Trustees, with the approval of the Settlor shall appoint an Executive Director who, subject to the supervisory powers as may be given by the Board of Trustees, shall supervise, direct and control the business of the Foundation.

ARTICLE VII

Conflict of Interest Policy

(a) Policy. Each Trustee shall make a full disclosure to the President of the Foundation of all material facts regarding any possible conflict of interest, to describe the transaction, and to disclose the details of his or her interest in it. Upon request by the Board of Trustees or the President, each Trustee must disclose the source and amount of any income or other economic benefit to be derived from the transaction by him or her, or by an entity in which he or she has any interest. The Foundation shall, as appropriate, seek the opinion of legal counsel and such other authorities as may be required, before entering into any such transaction. Before approving a transaction subject of this Policy, Trustees are required by law to attempt, in good faith and after reasonable investigation, to determine that:

(i) the transaction is fair and reasonable to the Foundation,

(ii) the Board has knowledge of all of the material facts concerning the transaction and the Trustee's interest in the transaction, including the source and amount of any income or other economic benefit to be derived from the transaction by the Trustee or by an entity in which the Trustee has any interest,

(iii) the Foundation cannot obtain a more advantageous arrangement with reasonable effort under the circumstances; and,

(iv) the transaction is in the best interests of the Foundation.

(b) Approval of Transactions Subject to Policy. The Board must then approve the transaction by a majority vote of the Board then in office, without counting the vote of any Trustee who may have a conflict of interest due to the transaction under consideration. Each Trustee shall sign a Conflict of Interest form each year, the original to be kept in the Foundation office.

ARTICLE VIII

Records and Reports

SECTION 8.01 MAINTENANCE OF CORPORATE RECORDS

The Trust shall maintain adequate and correct books and records of account; minutes in written form of the proceedings of its Board and of the committees of the Board; and a record of the Trustees, giving their names and addresses. All such records shall be kept at the Trust's principal executive office, or if it's principal executive office is not in the State of California, at its principal business office in this state.

SECTION 8.02 MAINTENANCE AND INSPECTION BY TRUSTEES

This Foundation shall keep at its principal executive office, the original or a copy of the Declaration of Trust and Governance Document, as amended to date. Every Trustee shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the Foundation. This inspection by a Trustee may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

SECTION 8.03 ANNUAL REPORT TO TRUSTEES

(a) Annual Report. Not later than 120 days after the close of the Foundation's fiscal year, the Board shall cause an annual report to be sent to each of the Trustees. Such report shall contain the following information in reasonable detail:

- (i) The assets and liabilities, including the trust funds, of the Foundation as of the end of the fiscal year;
- (ii) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (iii) The revenue or receipts of the Foundation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (iv) The expenses or disbursements of the Foundation, for both general and restricted purposes, during the fiscal year; and
- (v) Any information required by Section 8.04.

(b) Report of Independent Accountants. The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Trust that such statements were prepared without audit from the books and records of the Trust.

SECTION 8.04 CONTRACTS, ETC., HOW EXECUTED

The Board of Trustees, except as otherwise provided in these bylaws, may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of this Foundation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Trustees, no officer, agent or employee shall have any power or authority to bind this Foundation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

ARTICLE IX

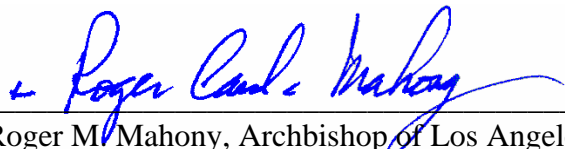
AMENDMENTS

Except as otherwise provided in the Declaration of Trust or in this Governance Document of the Catholic Education Foundation, the Board of Trustees may adopt, amend or repeal this Governance Document or any provision in this Governance Document by an affirmative vote of two-third (2/3) of the Trustees. All such matters shall be subject to the consent of the Settlor.

ARTICLE X

Executed at Los Angeles, California, this 1st day of October, 2004,
effective as of July 1, 2004.

**THE ROMAN CATHOLIC ARCHBISHOP
OF LOS ANGELES, a corporation sole**

By: 
Roger M. Mahony, Archbishop of Los Angeles