

**TAIWAN CENTER FOUNDATION OF GREATER LOS ANGELES
BYLAWS OF BOARD OF INVESTMENT TRUSTEES**

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ARTICLE 1 RECITALS

Over the years, Taiwan Center Foundation of Greater Los Angeles (the "Foundation") has received donations and funds for the purpose of promoting and fostering public benefits and the purposes of the Foundation. It is desirable that the Foundation establish a Board of Investment Trustees ("BIT") to hold, invest, administer and safeguard the assets of the Foundation.

ARTICLE 1 PRUDENT INVESTOR RULE

The Trustees shall apply the prudent investor rule to invest and manage the Foundation's assets.

ARTICLE 2 POWERS AND AUTHORITY

Section 2.01 Assets Management and Investment.

Subject to the provisions in these BIT Bylaws, all the powers and authority relating to the custody, investment and management of the financial and capital assets of the Foundation shall vest in and be under the direction of the BIT. Such assets shall include, but not limited to:

- (i) All the gifts, grants, donations, and income received by the Foundation specifically earmarked for the BIT;
- (ii) All the gifts, grants, donations, and income received by the Foundation not needed under the operating budget approved by the Board of Directors; and
- (iii) all the real properties of the Foundation.

Section 2.02 General Powers of the BIT

The BIT may employ and discharge agents and employees, including but not limited to attorneys, accountants, investment and other advisers, custodians of assets, property managers, real estate agents and brokers, and appraisers, to advise and assist in the BIT's business.

Section 2.03 Power to Approve Borrowing

The Foundation shall not borrow any money, other than accounts payable incurred in its ordinary course of business, or encumber the real property of the Foundation without

the consent of two-thirds majority of the BIT and the Board of Directors. The total amount of borrowing secured by the Foundation's real property shall not exceed thirty-three percent (33%) of the then fair market of the encumbered property.

Section 2.04 Power to Approve Sale or other Disposition of Real Property

The Foundation shall not sale, transfer or otherwise dispose of any real property, or a substantial part of other assets without the consent of two-thirds majority, but not less than five (5), of the Trustees, and two-thirds majority of the Board of Directors.

Section 2.05 Holding of Cash and Securities.

- (a) All funds under the custody and management of the BIT shall be deposited in one or more accounts with one or more reputable financial institutions in the name of the Foundation followed by the "Board of Investment Trustees", at such locations as shall be determined by the BIT. Withdrawal from such accounts shall require the signature of at least two Trustees appointed by the BIT.
- (b) All securities and other similar property of the Foundation shall be registered or deposited in one or more accounts with one or more reputable financial institutions, in the name of the Foundation followed by the "Board of Investment Trustees", at such locations as shall be determined by the BIT. Withdrawal from such accounts shall require the signature of at least two Trustees appointed by the BIT.
- (c) The power and authority of any person to withdraw any fund and other property from the financial accounts shall automatically terminate on that person's resignation, removal or expiration of his or her term unless he or she is re-appointed to the office.

Section 2.06 Conflict of Interest

The BIT should conduct its business affairs so as to avoid any possible conflict of interest in the discharge of the duties and responsibilities that each Trustee owes to the Foundation, and shall follow the Conflict of Interest Policy adopted by the Foundation.

Section 2.07 Trustee's Liability

No trustee shall be liable to any interested party for acts or omissions of that trustee, except those resulting from that trustee's willful misconduct or omission. This standard shall also apply regarding a trustee's liability for the acts or omissions of any other trustee, or agent employed by the BIT.

Section 2.08 Distribution of Income and Principal by the BIT

- (a) Within 30 days after the adoption of these Bylaws, and no less than 90 days prior

to each ensuing fiscal year, the chief financial officer of the Foundation shall submit to the Board of Directors and the BIT, a year-to-date income and expense report, and a proposed operating budget setting forth in detail an estimated income and expense statement for the next year. At the beginning of each fiscal year, the BIT shall disburse and transfer to the Foundation's operating expense account(s) sufficient amount of cash to make the beginning balance of the expense account(s) equal to One Hundred Fifty Thousand Dollars (\$150,000.00), adjusted by increases in the Consumer Price Index for All Urban Consumers for Los Angeles-Riverside-Orange County ("CPI") every five years commencing from fiscal year 2020. The disbursement may be made in one lump sum or installments. In the event the beginning balance of the expense account(s) exceeds \$150,000.00, adjusted by increases in CPI as provided in this subsection (a), all funds in excess of \$150,000.00 shall be turned over to the BIT.

- (b) Upon the approval of two-thirds majority of the Foundation's Board of Directors, the BIT may, in its sole and absolute discretion, release all or a portion of the cash on hand to partially fund the operating expenses and project expenses of the Foundation. All decisions of the BIT regarding payments under this subsection, if any, are within the BIT's sole discretion.
- (c) Upon the approval of two-thirds majority of the Foundation's Board of Directors, the BIT may distribute the principal managed by the BIT to fund the capital projects of the Foundation. All decisions of the BIT regarding funding under this subsection, if any, are within the BIT's sole discretion.

ARTICLE 3 OFFICE OF TRUSTEES

Section 3.01 Number of Trustees

The BIT shall have nine to fifteen trustees. The number of elected trustees shall be not less than five (5) and no more than seven (7). The total number of professional trustees and exemplary trustees shall not be more than six (6). The exact number of trustees shall be fixed from time to time by the Board of Directors. Each trustee, including a trustee elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified. Only persons who subscribe to and affirm all the purposes of the Foundation may serve as trustees.

Section 3.02 Qualification of Trustees

The following persons may be members of the BIT ("Trustees"):

- (a) Elected Trustee. Simultaneously with the election of the members of the Board of Directors, the Foundation's Members shall elect from the past Presidents of the Foundation who was not removed for cause pursuant to the Foundation's Bylaws

to serve as elected trustees.

- (b) Professional Trustees. Professional trustees are experienced financial, accounting or legal professionals nominated by the BIT and approved by the Board of Directors.
- (c) Exemplary Trustees. Exemplary trustees are:
 - (i) Donors who, individually or together with lineal ancestors and descendants, have donated to the Foundation at least:
 - (A) One Hundred Thousand Dollars (\$100,000) cumulatively; or,
 - (B) Twenty-five Thousand Dollars (\$25,000.00) during the seven (7) years prior to the appointment; or.
 - (ii) Volunteers who have contributed substantially to the Taiwanese-American communities.

Exemplary trustees shall be nominated by the BIT and approved by the Board of Directors.

Section 3.03 Election and Term of Trustees

The trustees shall be appointed no later than July 1 of each even year and serve for a term of two (2) years without term limit.

Section 3.04 Removal and Resignation of Trustees

A trustee may be removed with cause by two-thirds majority of both the Board of Directors and the BIT. Any trustee may resign effective on giving written notice to the Board of Directors and the BIT unless the notice specifies a later effective date.

Section 3.05 Vacancies

A vacancy in the BIT shall be deemed to exist if a Trustee dies, resigns, or is removed in the manner provided in Section 4.04 of these Bylaws. A vacancy shall be filled in the manner provided in Section 4.02 of these Bylaws. The term of office of a trustee nominated to fill a vacancy shall run until the expiration of the vacant office.

Section 3.06 Chair

The BIT may elect a chair, who shall preside, if present, at trustees' meetings and shall exercise and perform such other powers and duties as may be assigned from time

to time by the BIT. The chair shall serve for a term of two years. The term of office of a chair nominated to fill a vacancy shall run until the expiration of the vacant office.

Section 3.07 Other Officers

The BIT may appoint such other officers as may be required by the business of the BIT.

ARTICLE 4 MEETINGS

Section 4.01 Quorum

The presence in person of a majority of trustees then in office at any meeting of the BIT shall constitute a quorum for the transaction of business. If a quorum is present, the affirmative vote of a majority of trustees constituting a quorum shall be the act of the BIT, except as otherwise provided in these Bylaws.

Section 4.02 Place of Meetings; Telephone Meetings

Regular meetings of the BIT shall be held semi-annually at any place designated by the chair. Special meetings of the BIT may be called for any purpose or purposes at any time by the chair, or any three trustees. Meetings, regular or special, shall be held on two weeks' notice by mail or one week's notice by facsimile or other electronic media.

Section 4.03 Action without a Meeting

Any action required or permitted to be taken by the BIT may be taken without a meeting, if all members of the BIT individually or collectively consent in writing to that action within thirty (30) days from the date the action is first proposed. Any action by written consent shall have the same force and effect as a unanimous vote of the BIT. All written consents shall be filed with the minutes of the proceedings of the BIT.

Section 4.04 Application of Foundation Bylaws

Except as provided in these Bylaws, Article 4 of the Bylaws of the Foundation shall apply to the Board of Trustees.

ARTICLE 5 ANNUAL REPORT TO BOARD OF DIRECTORS

Within ninety (90) days from the end of each fiscal year, the BIT shall cause an annual report to be sent to the Foundation's Board of Directors. The annual report shall contain a balance sheet as of the end of the fiscal year, an income statement, and a statement of changes in financial positions from the previous fiscal year prepared in accordance with generally accepted accounting principles applied on a consistent basis and accompanied by any report of independent accountants, or, if there is no such report,

the certificate of the chair that the statements were prepared without audit from the Fund's books and records. The Foundation' board of directors may audit all books and records and require any financial reports as it deems necessary.

ARTICLE 6 EFFECTIVE DATE AND AMENDMENT

Section 6.01 Approval

These Bylaws shall become effective on the majority approval of the Foundation's Board of Directors.

Section 6.02 Amendment

These Bylaws may be amended from time to time by the two-thirds majority vote of both the Foundation's Board of Directors and the BIT.

CERTIFICATE OF ADOPTION

The undersigned Secretary of the Foundation hereby certify that the above Bylaws of the Board of Investment Trustees have been duly adopted by the Foundation and became effective March 1, 2016.

Dated: _____, 2016

Secretary