

**BYLAWS
OF
PRINCETON AREA COMMUNITY FOUNDATION, INC.**

ARTICLE I

NAME, SEAL, OFFICE AND PURPOSE

1.01 Name. The name of the Corporation is Princeton Area Community Foundation, Inc.

1.02 Seal. The seal of the Corporation shall have inscribed thereon the name of the Corporation, the year of its creation and the words "Corporate Seal, New Jersey." The Board of Trustees may change the form of the seal or the inscription thereon at its pleasure.

1.03 Offices. The principal office of the Corporation shall be located at 15 Roszel Road, Princeton, New Jersey 08540. The Corporation may also have offices at such other places as the Board of Trustees may from time to time determine as the purposes of the Corporation may require.

1.04 Purposes, Operation. The corporation is organized and shall be operated exclusively for the benefit of, to perform the functions of, and for the charitable purposes of, The Princeton Area Community Foundation, Inc., a charitable corporation organized pursuant to the Certificate of Incorporation hereafter described (the "Certificate of Incorporation"). The Corporation shall be operated exclusively for such charitable purposes as will, in the discretion of its Board of Trustees, carry out the purposes and/or perform the functions of The Princeton Area Community Foundation, Inc., including without limitation:

(a) The solicitation, as considered appropriate by the Board of Trustees, of donations and bequests and the receipt and acceptance of property for charitable purposes primarily in and for the benefit of the Princeton area and greater Mercer County.

(b) The management, investment and administration of funds and monies for the benefit and/or purposes of The Princeton Area Community Foundation, Inc.;

(c) The disbursement of funds for the benefit and/or purposes of The Princeton Area Community Foundation, Inc.;

(d) The retention of employees, consultants and other personnel for the benefit and/or purposes of The Princeton Area Community Foundation, Inc.;

(e) The performance of administrative services for the benefit and/or purposes of The Princeton Area Community Foundation, Inc.;

(f) The acquisition and/or leasing of real and/or personal property for the benefit and/or purposes of The Princeton Area Community Foundation, Inc.;

All of the net earnings of the Corporation shall be devoted for the benefit and/or purposes of The Princeton Area Community Foundation, Inc. as aforesaid and no part of the net earnings of the Corporation shall inure to the benefit of any individual and no substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in Subsection 501(h) of the Internal Revenue Code) and the Corporation shall not participate in, or intervene in, (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

1.05 Gender. As used in these Bylaws, words of the masculine gender shall be deemed to include, where appropriate, the feminine gender, and vice versa.

ARTICLE II

TRUSTEES

2.01 Powers. All corporate powers, except such as are otherwise provided for in these Bylaws or the laws of the State of New Jersey, shall be and are hereby vested in and shall be exercised by the Board of Trustees.

2.02 Trustees. The number of Trustees shall be no less than three (3) and no more than twenty-five (25). The initial Board of Trustees shall be those persons whose names are set forth in the Certificate of Incorporation. Subject to the first sentence of this section, additional trustees may be elected by the Board of Trustees at its annual meeting or at any other meeting. A Trustee who is elected at the organizational meeting of the Board of Trustees or to fill a vacancy for a term of less than three years as provided in section 2.03 below, may serve until that term expires and thereafter, if re-elected, for no more than two consecutive three-year terms. A Trustee who is elected at an annual meeting, other than the organizational meeting, may serve no more than two consecutive three-year terms. Except as provided in section 2.03 below, a Trustee who is elected at a meeting other than an annual meeting may serve until the next annual meeting and thereafter if re-elected, for no more than two consecutive three-year terms. After serving two consecutive three-year terms, a Trustee shall again be eligible for election after absence from the Board of Trustees for one year.

2.03 Vacancies. Any vacancy on the Board of Trustees occurring during the year may be filled for the unexpired portion of the term by election by the Board of Trustees.

2.04 Annual Meetings. The annual meeting of the Board of Trustees shall be held at the principal office of the Corporation or at such other place within or outside the State of New

Jersey as the Board shall designate, and on such date as the Board shall designate, for the transaction of such business as may properly come before the meeting.

2.05 Regular Meetings. Regular meetings of the Board of Trustees shall be held at the principal office of the Corporation or at such other place within or outside the State of New Jersey, as the Chairman determines, not less than four (4) times each calendar year, and the first said meeting shall be designated as the Annual Meeting of the Trustees.

2.06 Special Meetings. Except as otherwise specifically required by law, special meetings of the Board may be called at any time by the Chairman and must be called by the Chairman on receipt of the written request of any three Trustees or a majority of the entire Board, whichever is less. Such meetings shall be held at the principal office of the Corporation or at such other place within or outside the State of New Jersey as the Chairman calling the meeting shall designate.

2.07 Notice of Meetings. Notice of the time, place, and purpose or purposes of annual or special meetings shall be given or served, either personally or by mail or by telephone upon each person who appears upon the records of the Corporation as a Trustee. Notice of an annual meeting shall be given not less than ten (10) nor more than thirty (30) days prior to the date of the meeting. Notice of a regular or special meeting shall be given not less than five (5) nor more than thirty (30) days prior to the date of such meeting. Such notice, if mailed, shall be directed to a Trustee's address as it appears on the records of the Corporation, unless such Trustee shall have filed with the Secretary of the Corporation a written request that notices intended for such Trustee be mailed to some other address, in which case it shall be mailed to the address designated in such request. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning and if the period of adjournment does not exceed ten (10) days in any one adjournment.

2.08 Waiver of Notice. Whenever, under the provisions of any law or under the provisions of the Certificate of Incorporation or Bylaws of the Corporation, the Corporation or the Board of Trustees or any committee thereof is authorized to take any action after notice to the Trustees of the Corporation or to the members of a committee or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of any period of time, if at any time before or after such action be completed, such requirement be waived in writing by the person or persons entitled to such notice or entitled to participate in the action to be taken. The attendance by a Trustee at any meeting without protesting prior to the conclusion of the meeting that there was lack of notice of that meeting shall constitute waiver of notice by that Trustee.

2.09 Quorum. A quorum of the Board of Trustees shall consist of a majority of the Trustees. If a quorum is not established, a majority of the Trustees present may adjourn the meeting from time to time. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called. The act of a majority of those present at any meeting at which there is a quorum shall be the act of the Corporation, except as may otherwise be specifically required by these Bylaws or by law.

2.10 Conference Phone. Any or all Trustees may participate and vote in a meeting of the Board or a committee thereof by means of conference telephone or any means of communication by which all persons participating in the meeting are able to hear each other. Participation by such means shall constitute presence in person for purposes of quorum.

2.11 Voting. At every meeting of the Board of Trustees or a committee thereof, each Trustee shall be entitled to one (1) vote.

2.12 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Trustees or any committee thereof may be taken without a meeting, if prior to or after such action a written consent thereto is signed by all Trustees or by all members of such committee as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Trustees or committee.

2.13 Conflict of Interest.

(A) Financial or Personal Interest

No Trustee shall seek any financial or personal interest in any proposed business or transaction of the Corporation. The foregoing sentence, however, shall not be construed to preclude a Trustee from receiving reasonable compensation for service to the Corporation in any capacity.

(B) Disclosure and Disqualification

Whenever any matter involving the financial or personal interest of a Trustee shall arise in deliberations or voting, such Trustee shall disclose the nature and extent of such interest and shall be disqualified from participation in such deliberations or voting.

(C) Gifts and Favors

No Trustee shall accept any gift, whether in the form of service, money, thing, favor, loan or promise, that would not be offered or given if such a person were not a Trustee.

(D) Definitions. As used in this Article:

(1) "Financial Interest" means any interest which shall yield, directly or indirectly, a monetary or other material benefit (other than the duly authorized salary, compensation

or reimbursement for services to the Corporation), to the Trustee or to any person employing or retaining the services of the Trustee; and

(2) "Personal Interest" means any interest arising from family or marriage relationships or from close business association whether or not any financial interest is involved.

2.14 Term. The initial Trustees of the Corporation and additional Trustees elected at the organizational meeting of the Board of Trustees shall serve those terms determined by resolution at the organization meeting, and until their successors have been elected and qualified. The term of each successor Trustee shall commence on election and shall, subject to the other requirements set forth herein, continue for three (3) years and until a successor shall have been elected and qualified. A Trustee may resign by delivering a written resignation to the Chairman or Secretary of the Corporation.

2.15 Removal of Trustees. Any Trustee may be removed from office without cause by the affirmative vote of two-thirds of all Trustees then in office. Any Trustee may be removed from office for cause, or suspended pending final determination that cause exists for removal, by the affirmative vote of a majority of all Trustees then in office.

ARTICLE III

COMMITTEES

3.01(a) Committees. The Chairman, subject to a resolution approved by a majority of the entire Board, may appoint from among the Trustees one or more committees (including an Executive Committee), of one or more members (which may include persons who are not Trustees,

provided that at least one member of each committee shall be a Trustee and that any act of any committee which has members which are not Trustees shall be advisory, shall not bind the Board or Corporation and shall be subject to Board approval) each of which, to the extent provided in the resolution, shall have and may exercise the authority of the Board, except that no such committee shall:

- (i) make, alter or repeal any bylaw of the Corporation;
- (ii) elect or appoint any officer or trustee, or remove any officer or trustee;
- (iii) make any grants of distributions of funds, unless so delegated by the Board;
- (iv) amend or repeal any resolution previously adopted by the Board;

The Chairman, subject to a resolution adopted by a majority of the entire Board, may:

- (v) fill any vacancy in such committee;
- (vi) appoint one or more persons to serve as alternate members of any such committee, to act in absence or disability of members of any such committee with all the powers of such absent or disabled members of a committee;
- (vii) abolish any such committee; or
- (viii) remove any members of such committee at any time, with or without cause.

3.01(b) Non-Board Committees.

The Trustees may from time to time establish committees, which include non-trustees or non-officers to assist The Princeton Area Community Foundation, Inc. in the pursuit of its activities. Such committees may include, but not necessarily be limited to, the formation of advisory or associate committees. The Board will establish the policies and mission statements for all such committees so formed.

3.02 Quorum; Chairman. A majority of each committee shall constitute a quorum for the transaction of business and the act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of such committee. The Chairman of the Board of Trustees will appoint all committee chairmen.

3.03 Reporting. Actions taken at a meeting of any such committee shall be kept in a record of its proceedings which shall be reported to the Board at its next meeting following such committee meeting, except that, when the meeting of the Board is held within two days after the committee meeting, such report shall, if not made at the first meeting, be made to the Board at its second meeting following such committee meeting.

ARTICLE IV

OFFICERS

4.01 Number. The Board of Trustees shall elect at each annual meeting a Chairman, one or more Vice Chairmen, a Secretary and a Treasurer, and such other officers, with such powers and duties not inconsistent with these Bylaws, as may be determined by the Board. One person may

hold two or more offices, except that of Chairman and Vice-Chairmen, or Chairman and Secretary, and no one person may execute, acknowledge, or verify an instrument that requires action by two or more officers. The officers shall serve for one year terms or until their earlier death, resignation or removal as provided herein, or until their successors have been elected and qualified.

4.02 Vacancies. In case any office of the Corporation becomes vacant by death, resignation, retirement, disqualification, or any other cause, the Board of Trustees may elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until the annual meeting next succeeding and until the election and qualification of a successor.

4.03 Chairman. The Chairman of the Board of Trustees shall be the chief executive officer of the Corporation. The Chairman shall preside at all meetings of the Board. The Chairman shall have and exercise general charge and supervision of the affairs of the Corporation, and shall do and perform such other duties as may be assigned by the Board.

4.04 Vice Chairman. The Vice-Chairman of the Board of Trustees, if there is only one, or the first Vice-Chairman, if there is more than one, shall take the place of the Chairman and perform the duties of the Chairman whenever the Chairman shall be absent or unable to act. If there is more than one Vice-Chairman elected, then one shall be elected as first Vice-Chairman, second Vice-Chairman, third Vice-Chairman, etc. If neither the Chairman, nor the Vice-Chairman, nor the first, second or third Vice-Chairmen (as the case may be) is able to act, the Board shall appoint some other Trustee to act as Chairman on an interim basis. The Vice Chairman or Vice-Chairmen shall also perform such other duties as shall from time to time be designated by the Board.

4.05 Secretary. The Secretary shall have charge of such books, documents and papers as the Board of Trustees may determine and shall have the custody of the corporate seal. The

Secretary shall attend and keep the minutes of all meetings, shall sign with the Chairman in the name and on behalf of the Corporation, any contracts or agreements authorized by the Board of Trustees, and when so authorized or ordered by the Board, shall affix the seal of the Corporation. The Secretary shall, in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Trustees, and shall do and perform such other duties as may be assigned by the Board.

4.06 Assistant Secretary. The Assistant Secretary, if any, shall assist the Secretary and in the absence or disability of the Secretary shall perform the duties of the Secretary.

4.07 Treasurer. The Treasurer shall be responsible for the care and custody of all funds, property, and securities of the Corporation, subject to such regulations as may be imposed by the Board of Trustees. When necessary or proper the Treasurer may endorse on behalf of the Corporation for collection, checks, notes and other obligations, and shall deposit the same to the credit of the Corporation at such bank or banks or depository as the Board may designate. The Treasurer shall sign all receipts and vouchers and, together with such other officer or officers, if any, as shall be designated by the Board, shall sign all checks of the Corporation, except in cases where the signing and execution thereof shall be expressly designated by the Board or by these Bylaws to some other officer or agent of the Corporation. The Treasurer shall make such payments as may be necessary or proper to be made on behalf of the Corporation. The Treasurer shall keep the books of the Corporation and shall enter regularly thereon a full and accurate account of all moneys received and all obligations paid or incurred for or on account of the Corporation, and shall exhibit such books at all reasonable times to any Trustee on application at the offices of the Corporation. The Treasurer

shall, in general, perform all the duties incident to the office of Treasurer, subject to the control of the Board of Trustees.

4.08 Assistant Treasurer. The Assistant Treasurer, if any, shall assist the Treasurer in the performance of the duties of the Treasurer.

4.09 Removal. Any officer may be removed or suspended from office with or without cause by the affirmative vote of two-thirds of the entire Board of Trustees.

ARTICLE V

AGENTS AND CONTRACTS

5.01 Agency. The Board of Trustees may appoint such agents and representatives of the Corporation with such powers and authority to perform such acts or duties on behalf of the Corporation as the Board may see fit, so far as may be consistent with these Bylaws, and the extent authorized or permitted by law, except that decisions involving the investment and disbursement of endowment funds must be made by the Board.

5.02 Authority. The Board of Trustees, except as otherwise provided in these Bylaws, may authorize any officer to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance.

ARTICLE VI

FISCAL YEAR

6.01 Fiscal Year. The fiscal year of the Corporation shall commence on the first day of January and end on the last day of December in each year.

ARTICLE VII

INDEMNIFICATION OF TRUSTEES, OFFICERS AND EMPLOYEES

7.01 Indemnification of Trustee, Officers and Employees:

Claim Brought By or In the Right of the Princeton Area Community Foundation, Inc.

The Princeton Area Community Foundation, Inc. shall, to the fullest extent authorized or permitted by the New Jersey Nonprofit Corporation Act (hereinafter the "Act"), indemnify a Trustee, director, officer or employee (the "Indemnitee") who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Princeton Area Community Foundation, Inc. to procure a judgment in its favor by reason of the fact that the Indemnitee is or was a Trustee, officer, director, employee or agent of the Princeton Area Community Foundation, Inc. or is or was serving at the request of the Princeton Area Community Foundation, Inc. as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best

interests of the Princeton Area Community Foundation, Inc. However, indemnification under this Section 7.01 shall not be made for a claim, issue, or matter in which the Indemnitee has been found liable to the Princeton Area Community Foundation, Inc. unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

7.02 Actions Brought by the Indemnitee. Notwithstanding the provisions of Section 7.01, the Princeton Area Community Foundation, Inc. shall not indemnify an Indemnitee in connection with any action, suit, proceeding or claim (or part thereof) brought or made by such Indemnitee unless the action, suit, proceeding or claim (or part thereof) (i) was authorized by the Board of Trustees of the Princeton Area Community Foundation, Inc. or (ii) was brought or made to enforce this Article and such Indemnitee has been successful in such action, suit, proceeding or claim (or part thereof).

7.03 Approval of Indemnification. An indemnification under Section 7.01 of this Article, unless ordered by a court, shall be made by the Princeton Area Community Foundation, Inc. only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in Section 7.01 of this Article. This determination shall be made promptly in any of the following ways:

- (a) By a majority vote of a quorum of the Board consisting of Trustees who were not parties to the action, suit, or proceeding.

(b) If the quorum described in subdivision (a) is not obtainable, then by a majority vote of a committee of Trustees who are not parties to the action. The committee shall consist of not less than two (2) disinterested Trustees.

(c) By independent legal counsel in a written opinion.

7.04 Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 7.01 of this Article shall be paid promptly by the Princeton Area Community Foundation, Inc. in advance of the final disposition of the action, suit, or proceeding upon receipt of any undertaking by or on behalf of the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the Princeton Area Community Foundation, Inc. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

7.05 Partial Indemnification. If an Indemnitee is entitled to indemnification under Section 7.01 of this Article for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Princeton Area Community Foundation, Inc. shall indemnify the Indemnitee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the Indemnitee is entitled to be indemnified.

7.06 Indemnification of Agents. Any person who is not covered by the foregoing provisions of this Article and who is or was an agent of the Princeton Area Community Foundation, Inc. or is or was serving at the request of the Princeton Area Community Foundation, Inc. as director,

officer, partner, trustee, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, may be indemnified to the fullest extent authorized or permitted by the Act, but in any event only to the extent authorized at any time or from time-to-time by the Board of Trustees.

7.07 Other Rights of Indemnification. The indemnification or advancement of expenses provided under Section 7.01 of this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, these Bylaws, or contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in Section 7.01 to 7.06 of this Article continues as to a person who ceases to be a Trustee, director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

7.08 Liability Insurance. The Princeton Area Community Foundation, Inc. shall have the power to purchase and maintain insurance on behalf of any person who is or was a Trustee, director, officer, employee or agent of the Princeton Area Community Foundation, Inc., or is or was serving at the request of the Princeton Area Community Foundation, Inc. as a director, officer, employee or agent of another corporation, business corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Princeton Area Community Foundation, Inc. would have the power to indemnify the person against such liability under the provisions of the Act.

7.09 Severability. Each and every paragraph, sentence, term and provision of this Article shall be considered severable in that, in the event a court finds any paragraph, sentence, term or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining paragraphs, sentences, terms, or provisions shall not be affected, and this Article shall be construed in a respect as if the invalid or unenforceable matter had been omitted.

7.10 Definitions. "Other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Princeton Area Community Foundation, Inc." shall include any service as a Trustee, director, officer, employee, or agent of the Princeton Area Community Foundation, Inc. which imposes duties on, or involves services by, the Trustee, director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Princeton Area Community Foundation, Inc." as referred to in Section 7.01. The indemnification and other obligations of the Princeton Area Community Foundation, Inc. set forth in this Article shall be binding upon any resulting or surviving corporation after any merger or consolidation of the Princeton Area Community Foundation, Inc. Notwithstanding anything to the contrary contained herein, no person shall be entitled to the indemnification and other rights set forth in this Article solely by virtue of his or her acting as director, officer, employee, or agent of another corporation merged or consolidated with the Princeton Area Community Foundation, Inc. prior to such other corporation being merged or consolidated with the Princeton Area Community

Foundation, Inc., unless determined otherwise by a resolution of the Board of Trustees of the Princeton Area Community Foundation, Inc.

ARTICLE VIII

DISSOLUTION

8.01 Dissolution. Upon dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts and expenses have been satisfied, shall be distributed to such organization or organizations as the Board of Trustees shall select, provided that such organization then qualifies as exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code, as amended.

ARTICLE IX

AMENDMENTS

9.01 Force and Effect of Bylaws. These Bylaws are subject to the provisions of the New Jersey Nonprofit Corporation Act (the "Act") and the Certificate of Incorporation as they may be amended from time to time. If any provision of these Bylaws is inconsistent with a provision in the Act or the Certificate of Incorporation, the provision of the Act or the Certificate of Incorporation shall govern to the extent of such inconsistency.

9.02 Amendments. The Board of Trustees shall have the power to make, alter, amend and repeal Bylaws, or to alter or amend the Certificate of Incorporation, by affirmative vote of two-thirds

of the entire Board. Notice of the proposed change shall be given in writing to all Trustees then eligible to vote at least ten days prior to the meeting at which such change is considered.

ARTICLE X

GIFTS TO THE FOUNDATION

10.01 Gifts in Trust. If a gift is made in trust under which the Princeton Area Community Foundation, Inc. is an income or remainder beneficiary, or the beneficiary of any other portion of the trust assets, only assets actually distributed to the Princeton Area Community Foundation, Inc. from such trust shall be subject to the Princeton Area Community Foundation's Articles of Incorporation and these Bylaws, and then only when the Princeton Area Community Foundation, Inc. becomes entitled to their use. The Board of Trustees may take such action as it from time to time deems necessary to protect the Princeton Area Community Foundation's rights to receive such payments.

10.02 Donor's Restrictions. A donor, with respect to a gift which he or she makes to the Princeton Area Community Foundation, Inc., may provide at the time of the gift restrictions which are not inconsistent with the charitable purposes of the Foundation, and which are not inconsistent with tax laws, regulations or rulings relating to the operation of community foundations, such as (a) the particular charitable organizations or purposes to be supported, (b) the manner of distribution, including amounts, times and conditions of payments, and whether from principal and/or income, (c) the geographic limits on use of the gift within or beyond Greater Mercer County, and (d) the name, as a memorial or otherwise, to be attributed to the restrictions or directions as to the investment of the gift for the Princeton Area Community Foundation, Inc. All such restrictions by donors shall be

followed except as provided in paragraph 10.05 of this Article X, or in other provisions of these Bylaws, or in the Articles of Incorporation.

10.03 Investments. No gift shall be separately invested or held except as required to comply with legally valid restrictions or directions imposed by a donor, or in order to prevent tax exempt disqualification, or as required by law. Restrictions involving the naming of a fund as a memorial or otherwise may be satisfied either by physical segregation of such fund, or by bookkeeping entries which appropriately reflect the proportion of Princeton Area Community Foundation, Inc. assets represented by such fund.

10.04 Presumption as to Donor's Intent. Subject to the requirement that no gift shall be received or managed in a manner which would disqualify the Princeton Area Community Foundation, Inc. from exemption from Federal income tax as a qualified charitable organization, each gift to the Princeton Area Community Foundation, Inc. shall be presumed to be intended (a) to be used only for charitable purposes, (b) to be productive of a reasonable return of net income, (c) to be used only for such of those purposes and in such manner as not to disqualify the gift from deduction as a charitable contribution, gift, or device in computing any Federal income, gift or estate tax of the donor or his estate, and (d) to be held and administered in accordance with the terms, provisions, and restrictions of the Princeton Area Community Foundation's Articles of Incorporation, the Bylaws, and any agency agreement between the Princeton Area Community Foundation, Inc. and persons or institutions having responsibility for the custody, administration, or investment of Princeton Area Community Foundation, Inc. assets.

10.05 Variance Provision. If a restriction by the donor, however expressed, would, if followed, conflict with the requirement that no gift will be received or managed in a manner which

would disqualify the Princeton Area Community Foundation, Inc. from exemption from Federal income tax as a qualified charitable organization, or if the Board of Trustees is advised by counsel that there is substantial risk of such result, the restriction shall not be followed, but shall be varied by the Board of Trustees so far as necessary to avoid such result, except that if the donor has clearly stated that compliance with the restrictions is a condition of such a gift, then the gift shall not be accepted unless an appropriate judicial or administrative body first determines that the condition and restriction need not be followed; and if a gift with such a restriction has already been accepted, the Board, by majority vote, may order variance from such offending terms, conditions or restrictions. To the extent possible any such variance shall attempt to achieve the objectives of the donor consistent with the purposes and policies and tax regulations which apply to the Princeton Area Community Foundation, Inc.

ARTICLE XI

Miscellaneous

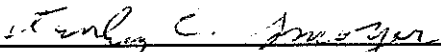
11.01 Internal Revenue Code. All references in these Bylaws to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, to the corresponding provisions of any similar law subsequently enacted, and to all regulations issued under such sections and provisions. Notwithstanding anything herein contained to the contrary, no action shall be required or permitted to be taken under these Bylaws or by the officers or directors of this corporation which would not be permitted to be taken by an organization described in Section 501(c)(3) of the Internal Revenue Code or which would result in

the imposition of federal tax under Sections 4941 through 4945, inclusive, of the Internal Revenue Code.

CERTIFICATION

I hereby certify that the attached is a true copy of the Bylaws of the Princeton Area Community Foundation, Inc. now in effect.

Dated: September 12, 1995



Stanley C. Smoyer, Chairman



PRINCETON AREA *COMMUNITY* FOUNDATION

**INVESTMENT POLICY STATEMENT
AND
BYLAWS AMENDMENT**

The proposed changes to the Bylaws:

- (1) Add a new Article XI entitled "Investment Policy Statement" to read as follows:

"The Trustees shall adopt an Investment Policy Statement for the guidance of its Investment Committee and for the information of donors and potential donors. This Policy Statement may be amended from time to time by a majority vote of the Board, except that if any changes are proposed, which are not approved by the Investment Committee, it shall require a two-thirds vote of the Board. If the Investment Committee determines that a modification to the Investment Policy Statement is required and that it must be implemented before the next regular meeting of the Board of Trustees, then the Investment Committee may adopt such a change which shall remain in effect only if it is ratified by the full Board at its next meeting."

- (2) Change the present "XI Miscellaneous" of the Bylaws to read "XII Miscellaneous."
- (3) The Investment Policy Statement dated 11/7/96 to be approved at the same time as the attached Bylaws changes.
- (4) No other changes to the Bylaws are proposed.

The changes proposed above, and the Investment Policy Statement, were approved and adopted by a unanimous vote of the Princeton Area Community Foundation Board of Trustees on November 19, 1996.

Serving all of Mercer County and its neighboring communities

15 ROSZEL ROAD · PRINCETON, NEW JERSEY 08540 · 609-520-1700 · FAX: 609-243-8940



PRINCETON AREA *COMMUNITY* FOUNDATION, INC.

BYLAWS AMENDMENT

Trustee Terms of Service

The following change to the Princeton Area Community Foundation's bylaws was approved and adopted by a resolution and unanimous vote of the Board of Trustees on January 20, 1998.

Proposed change to the Bylaws: Expand the term of service to allow Trustees to serve a maximum of three, three-year terms.

Change the current Article II, Section 2.02 as follows (changes underlined):

Article II, Section 2.02: Trustees. The number of Trustees shall be no less than three (3) and no more than twenty-five (25). The initial Board of Trustees shall be those persons whose names are set forth in the Certificate of Incorporation. Subject to the first sentence of this section, additional trustees may be elected by the Board of Trustees at its annual meeting or at any other meeting. A Trustee who is elected at the organizational meeting of the Board of Trustees or to fill a vacancy for a term of less than three years as provided in section 2.03 below, may serve until that term expires and thereafter, if elected, for no more than three consecutive three-year terms. A Trustee who is elected at an annual meeting, other than the organizational meeting, may serve no more than three consecutive three-year terms. Except as provided in section 2.03 below, a Trustee who is elected at a meeting other than the annual meeting may serve until the next annual meeting and thereafter if re-elected, for no more than three consecutive three-year terms. After serving three consecutive three-year terms, a Trustee shall again be eligible for election after absence from the Board of Trustees for one year.

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PRINCETON AREA COMMUNITY FOUNDATION, INC.

BYLAWS AMENDMENT

Trustee Terms of Service

The following changes to the Princeton Area Community Foundation's bylaws were approved and adopted by a resolution and unanimous vote of the Board of Trustees at its meeting on November 16, 1999.

Proposed change to the Bylaws: Increase the number of trustees who can serve on the Board from a maximum of 25 to a maximum of 30; and provide for the election of term trustees.

Change the current Article II, Section 2.02 as follows: (changes underlined):

Article II, Section 2.02: Trustees. The number of trustees shall be no less than three (3) and no more than thirty (30). The initial Board of Trustees shall be those persons whose names are set forth in the Certificate of Incorporation. Subject to the first sentence of this section, additional trustees may be elected by the Board of Trustees at its annual meeting or at any other meeting. A Trustee who is elected at the organizational meeting of the Board of Trustees or to fill a vacancy for a term of less than three years as provided in section 2.03 below, may serve until that term expires and thereafter, if elected, for no more than two consecutive three-year terms. A Trustee who is elected at an annual meeting, other than the organizational meeting, may serve no more than two consecutive three-year terms. Except as provided in section 2.03 below, a Trustee who is elected at a meeting other than the annual meeting may serve until the next annual meeting and thereafter, if elected, for no more than two consecutive three-year terms. After serving two consecutive three-year terms, a Trustee shall be eligible for election after absence from the Board of Trustees for one year, except that a member who has unique capabilities which the Foundation requires for the effective conduct of its activities shall be eligible to serve as a Term Trustee, elected for an additional one or more, one year terms.

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Princeton Area Community Foundation

BYLAWS AMENDMENT

The following changes to the Princeton Area Community Foundation's bylaws were approved by a unanimous vote of the Board of Trustees on September 22, 2005.

Article 10.05: The Variance Provision

Change proposed: Revised language to describe the Variance Power consistent with the Internal Revenue Code, and as required under National Standards for US Community Foundations. Replaces existing Article 10.05.

The Board of Trustees shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the Board (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. Such action requires an 80% vote of the Board.

If a donor has clearly stated that compliance with any stated restriction(s) is a condition of such a gift, then the gift shall not be accepted. If a gift with such a restriction has already been accepted, the Board, by an 80% vote, may order variance from such offending terms, conditions or restrictions.

To the extent possible any such variance shall attempt to achieve the objectives of the donor consistent with the purposes and policies and tax regulations which apply to the Princeton Area Community Foundation, Inc.

Also add Article 10.06:

All contributions to the Princeton Area Community Foundation, Inc. represent irrevocable gifts, subject to the legal and fiduciary control of the Board of Trustees.

Princeton Area Community Foundation

BYLAWS AMENDMENTS

Approved by the Board of Trustees on September 21, 2006

November 1999 language:

Article II, Section 2.02: Trustees. (amended November 1999)

The number of trustees shall be no less than three (3) and no more than thirty (30). The initial Board of Trustees shall be those persons whose names are set forth in the Certificate of Incorporation. Subject to the first sentence of this section, additional trustees may be elected by the Board of Trustees at its annual meeting or at any other meeting. A Trustee who is elected at the organizational meeting of the Board of Trustees or to fill a vacancy for a term of less than three years as provided in section 2.03 below, may serve until that term expires and thereafter, if elected, for no more than two consecutive three-year terms. A Trustee who is elected at an annual meeting, other than the organizational meeting, may serve no more than two consecutive three-year terms. Except as provided in section 2.03 below, a Trustee who is elected at a meeting other than the annual meeting may serve until the next annual meeting and thereafter, if elected, for no more than two consecutive three-year terms. After serving two consecutive three-year terms, a Trustee shall be eligible for election after absence from the Board of Trustees for one year, except that a member who has unique capabilities which the Foundation requires for the effective conduct of its activities shall be eligible to serve as a Term Trustee, elected for an additional one or more, one year terms.

Change approved: Revised language (change underlined)

After serving two consecutive three-year terms, a Trustee shall be eligible for election after an absence from the Board of Trustees for one year, except that a member who has capabilities critical to the Foundation's mission shall be eligible to serve as a Term Trustee, elected for an additional one or more, one year terms.

Addition:

Article II, Section 2.16 (new): Emeritus Trustees

Former PACF Trustees who have provided distinguished service of an extraordinary nature will be eligible for election by the Board as Emeritus Trustees, but only after the elapse of at least three months from their service as regular Board members. Emeritus Trustees shall have an unlimited term, but at any time there shall be no more than five Emeritus Trustees. Emeritus Trustees may attend Board and Committee meetings, and participate in discussions, but shall not have the right to vote.