

**BYLAWS
OF
TZEDAKAH, INC.**

ARTICLE I: INTRODUCTION

Section 1.1 **Name**. The name of this Corporation is Tzedakah, Inc. (the "Corporation").

Section 1.2 **Registered Office**. The principal office of the Corporation shall be located at 8422 Victory Lane, Potomac, MD 20854, or at such other place as may hereinafter be determined by the Board of Directors of the Corporation (the "Board").

Section 1.3 **Other Offices**. The Corporation may have other offices as the Board may determine.

Section 1.4 **Fiscal Year**. The fiscal year of the Corporation shall be the calendar year.

ARTICLE II: PURPOSES

Section 2.1 **Purposes**. The purposes for which the Corporation is organized are exclusively charitable, scientific or educational within the meaning of § 501(c)(3) of the Internal Revenue Code of 1986, as amended, including without limitation, all purposes, powers and privileges conferred upon the Corporation by the Maryland General Corporation Law, as well as the more specific purpose of raising the level and effectiveness of tzedakah in the world.

ARTICLE III: MEMBERS

Section 3.1 **Members**. The Corporation shall have no members.

ARTICLE IV: RELIGIOUS LAW

Section 4.1 **Jewish Religious Law**. The Corporation shall operate at all times in conformance with Jewish religious law (halacha).

Section 4.2 **Halachic Advisor**. The Board shall, from time to time, appoint a person who is a competent halachic authority, to serve as halachic advisor to the Corporation. The halachic advisor's decisions shall be binding with regard to matters of Jewish law.

ARTICLE V: BOARD OF DIRECTORS

Section 5.1 **Management of Corporation.** The management and control of the business and affairs of the Corporation shall be vested in the Board of Directors. All powers of the Corporation may be exercised by or under the authority of the Board. The Board may employ such agents as it deems advisable, and shall have power to do all such acts and things as are necessary for the administration of the affairs of the Corporation, except as otherwise prohibited by law, the Corporation's Articles of Incorporation, or these Bylaws.

Section 5.2 **Number, Term, and Method of Election.** The Board shall consist of at least six (6) but not more than fifteen (15) persons, who shall hold office as elected Directors. The initial number of Directors shall be six (6). Notwithstanding the above, the number of Directors shall never be less than the minimum required by the applicable provisions of the Maryland General Corporation Law. One-third (1/3) of the elected Directors shall be elected at each annual meeting of the Board, to serve for a specified term. Generally, the term shall be three (3) years, with the term expiring on the date of the third annual meeting succeeding the Director's election. The terms of the initial Directors shall be staggered, with one-third of the Directors holding office for three (3)-year terms, one-third of the Directors holding office for two (2)-year terms, and one-third of the Directors holding office for one (1)-year terms, with said terms expiring on the date of the Board's annual meetings coinciding with the expiration of the Directors' respective terms.

Section 5.3 **Eligibility to Serve as an Elected Director.** If more than 50% of the Directors have served at least nine consecutive years on the Board, then the longest-serving Directors shall relinquish their positions on the Board, as of the next annual meeting, or, in the case where there are vacancies, new Directors shall be added to the Board, in sufficient numbers such that the number of Directors who have served more than nine consecutive years shall be less than one-half (50%) the total number of Directors then elected to the Board. This provision may be not be changed except by a two-thirds majority of the Directors. Any Director required to relinquish his or her seat on the Board by operation of the provisions contained in this section shall be eligible to be elected to the Board at the next annual meeting of the Board.

Section 5.4 **Standard of Care and Justifiable Reliance.** A Director shall perform his or her fiduciary duties as a Director, including duties as a member of any committee of the Board, in good faith, and in a manner he or she reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including any financial statement and other financial data, prepared or presented by any of the following:

- (a) An officer or employee of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) A lawyer, certified public accountant or other person, as to a matter which the Director reasonably believes to be within the person's professional or expert competence; or

- (c) A committee of the Board, on which the Director does not serve, as to matters within its designated authority, if the Director reasonably believes the committee to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

Section 5.5 **Limitation of Liability.** A Director who performs his or her duties in accordance with the standard provided herein shall have the immunity from liability described in § 5-417 of the Maryland Courts and Judicial Proceedings Article of the Code of Maryland.

Section 5.6 **Change of Number.**

(a) The number of Directors may be increased or decreased at any annual meeting of the Board, prior to the election of Directors to be held at such meeting, but no decrease shall have the effect of shortening the term of any incumbent Director, except as otherwise provided in Section 5.3. The number of Directors may be increased at any regular or special meeting of the Board; the terms of any Directors added in this manner shall expire at the next succeeding annual meeting of the Board.

(b) The maximum or minimum number of authorized Directors may be increased or decreased by amendment to these Bylaws pursuant to Section 13.1, but no reduction in the authorized number of Directors shall result in the removal of any Director prior to the expiration of his or her term of office.

Section 5.7 **Board Composition.** At least 70% of the Directors shall be unrelated to each other by blood or marriage. No person may be elected to the Board, if such election would cause the Board's composition to violate this section.

Section 5.8 **Vacancies.** Vacancies on the Board shall exist in the case of the happening of any of the following events:

- (a) The death or resignation of a Director;
- (b) The removal of any Director in accordance with Section 5.9 of this Article;
or
- (c) The authorized number of Directors is increased.

Section 5.9 **Removal and Resignation.**

(a) **Removal of Directors.** The Board may remove any Director and declare vacant the office of such Director for any reason at any regular or special meeting of the Board, if such removal is deemed to be in the best interest of the Corporation. Such removal shall require a two-thirds (2/3) majority vote by the full Board, except when the Director does not meet the minimum

standards for Board membership as established by a majority vote of the Board, which standards may include attendance requirements. Directors not in compliance with said minimum standards shall be given written notice of such lack of compliance by the Secretary, with reasonable opportunity to achieve said minimum standards. If the Director fails to meet the minimum standards within the allotted time period, the Director shall automatically be removed from the Board, and shall be reinstated only by majority vote of the full Board.

(b) **Resignation.** Any Director may resign at any time, upon written notice to the President. The resignation shall be effective upon receipt by the President or as otherwise specified in the notice of resignation.

Section 5.10 **Filling of Vacancies.** Vacancies on the Board shall be filled by a majority vote of the remaining Directors, or by a sole remaining Director, in the sole discretion of such Director or Directors, at any Board meeting duly convened. Each Director filling a vacancy shall hold office until the next annual meeting of the Board and until his or her successor is duly elected and qualifies, unless he or she is sooner removed in accordance with Section 5.9 of this Article. If the Directors accept the resignation of a Director tendered to take effect at a future time, the Directors may elect a successor to take office when the resignation becomes effective.

Section 5.11 **Conflict of Interest.** The Board shall adopt a conflict of interest policy that shall be updated annually. The policy shall provide that each Director shall discharge his or her responsibilities to the Corporation solely to advance the Corporation's exempt mission and without regard to personal interest. Each Director shall file with the Secretary a signed statement indicating any conflicts of interest that may exist.

Section 5.12 **Annual Meeting.** The Board shall hold an annual meeting to elect Directors and officers and to transact any other business within its powers in the month of June in each year. The date, time and place of the annual meeting of the Board shall be set by the President. The Secretary shall send notice of the date, time and place of each annual meeting of the Board to each Director no less than ten (10) nor more than ninety (90) days prior to the date set for each such meeting, either by personal delivery, mail or other written form of communication. Except as the Maryland General Corporation Law, the Articles of Incorporation, or these Bylaws otherwise provide, any business may be considered at an annual meeting without the purpose of the meeting having been specified in a notice. Failure to hold an annual meeting shall not invalidate the Corporation's existence or affect any otherwise valid corporate acts.

Section 5.13 **Regular Meetings.** Between annual meetings, regular meetings of the Board shall be held at such intervals as may be determined appropriate by the Board, but not less frequently than three (3) times per fiscal year. Failure to hold regular meetings shall not invalidate the Corporation's existence or affect any otherwise valid corporate acts.

(a) All regular meetings of the Board shall be called by the Secretary at the direction of the President, or, if the President is absent or is unable or refuses to act, by any two (2) Directors.

(b) Written notice of the time and place of each regular meeting of the Board shall be delivered personally to each Director, or delivered to each Director by mail or by other form of written communication, at least ten (10) days before each meeting. If the current address of a Director is not shown on the records of the Corporation, and is not readily ascertainable, such notice shall be addressed to him or her at the last known address of such Director as carried in the records of the Corporation. Notice of the time and the place of holding of any adjourned meeting need not be given to absent Directors if the time and place are fixed at the time the meeting is adjourned.

(c) The transaction of any business at a meeting of the Board, however called and noticed and wherever held, shall be valid as though it had been transacted at a meeting duly held after a regular call and notice, if a quorum is present and if, either before or after the meeting, each of the Directors not present signs a Waiver of Notice, a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Corporation and made a part of the minutes of the meeting.

Section 5.14 **Special Meetings.**

(a) Special meetings of the Board may be called by: (a) the President; or (b) any two (2) Directors. A notice shall be given to each Director of the time, place and purpose of each special meeting at least seventy-two (72) hours prior to the convening of such a meeting, by personal delivery, telephone, facsimile, mail or other form of written communication. If the current address of a Director is not shown on the records of the Corporation and is not readily ascertainable, notice shall be addressed to him or her at the last known address of such a Director as reflected in the records of the Corporation.

(b) The transaction of any business at a special meeting of the Board that does not satisfy the notice requirements set forth above shall be deemed valid if a quorum is present and if, either before or after the meeting, each of the Directors not present at such meeting signs a written Waiver of Notice, a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Corporation and made a part of the minutes of the meeting.

Section 5.15 **Place of Meetings.** Annual, regular and special meetings of the Board may be held at any place within or without the State of Maryland that has been designated, from time to time, by resolution of the Board or by written consent of all of the Directors. In the absence of such designation, meetings shall be held at the principal office of the Corporation.

Section 5.16 **Quorum.** A quorum for the transaction of business at every meeting of the Board shall consist of at least fifty percent (50%) of all the Directors. The majority vote of those Directors present at a meeting at which a quorum is present shall be sufficient to pass any measure or resolution of the Board, unless otherwise required by the Maryland General Corporation Law, the Articles of Incorporation, or these Bylaws. In the absence of a quorum, a majority of the Directors present at a meeting may adjourn such meeting from time to time without further notice. The Directors present at a meeting that has been duly called and convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

Section 5.17 **Action by Consent of the Board.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a unanimous written consent which sets forth the action is signed by each Director and filed with the minutes of the proceedings of the Board.

Section 5.18 **Participation in Meeting by Telephone and Other Means.** The Directors may conduct any meeting thereof by telephone conference, email, or similar communications equipment if all persons participating in the meeting can communicate with each other at the same time. Participation in a meeting by these means constitutes a Director's presence in person at a meeting.

Section 5.19 **Compensation of Directors.** No salary shall be paid to any Director for his or her services as a Director. The Board may, in its discretion, authorize reimbursement to Directors for travel and actual expenses necessarily and reasonably incurred in attending meetings and performing other duties on behalf of the Corporation.

Section 5.20 **Registering Dissent.**

(a) **Presumption.** A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action unless:

- (i) The Director announces his or her dissent or abstention at the meeting; and
- (ii) The dissent or abstention is entered in the minutes of the meeting or the Director files a written dissent to the action with the Secretary before the meeting is adjourned; or
- (iii) The Director forwards a written dissent with the Secretary by registered mail within 24 hours after the meeting is adjourned.

(b) **Dissent Not Applicable.** The right to dissent or abstain shall not apply to a Director who voted in favor of the action or who failed to make his or her dissent or abstention known at the meeting.

Section 5.21 **Executive Committee.** In any year that the Board exceeds twelve (12) Directors, the President, with the approval of a majority of the Board, may appoint an Executive Committee. The Executive Committee may act in lieu of the Board; however, all decisions and actions of the Executive Committee shall be submitted to the Board for ratification at the Board's next meeting.

Section 5.22 **Ad Hoc Committees.** The President, with Board approval, may create one or more *ad hoc* committees and shall appoint the Chair of each such committee. Each *ad hoc* committee shall deliver a written report of its deliberations and recommendations, if any, to the Board upon completion of its work or at the end of the fiscal year, whichever is the earlier. The

designation of an *ad hoc* committee, and the delegation of authority thereto, shall not relieve the Board or any Director of responsibilities imposed by law.

Section 5.23 **Loans**. The Corporation shall make no loans to any Director or officer.

Section 5.24 **Operating Policies**. The Board may adopt Operating Policies for the Corporation and for the Board, as the Board sees fit.

ARTICLE VI: NOTICE, WAIVERS, MEETINGS GENERALLY

Section 6.1 **Manner of Giving Notice**. Unless otherwise provided herein, whenever written notice is required, it may be given in person or by sending a copy by first class or express mail, postage prepaid; or, by telegram (with messenger service specified); or, by courier service, charges prepaid; or, by facsimile transmission ("fax"); or by electronic mail ("e-mail"), to the number or address supplied to the Corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier, it shall be deemed to have been given when deposited in the United States mail or with a telegraph office or courier service for delivery, as the case may be. If sent by fax or by e-mail, it shall be deemed given when dispatched, if a confirmation report is received therefor. A notice of a meeting shall specify the place, day and hour of the meeting and any other information required by statute or these bylaws.

Section 6.2 **Waiver of Notice**.

(a) **Written Waiver**. Whenever written notice is required to be given, a waiver in writing, signed by the person entitled to the notice, shall be deemed equivalent to the giving of the notice.

(b) **Waiver by Attendance**. Attendance at a meeting shall constitute a waiver of notice of the meeting, unless the person attends for the express purpose of objecting that the meeting was not lawfully called or convened. The objection must be made at the beginning of the meeting.

Section 6.3 **Modification of Proposal Contained in Notice**. Whenever the language of a proposed resolution is included in the notice, the participants in the meeting may adopt it with clarifications or other amendments, provided they do not enlarge its original purpose. This provision can be waived by unanimous consent of those persons participating in the meeting.

ARTICLE VII: OFFICERS

Section 7.1 **Authority**. The officers of the Corporation shall manage the Corporation as the Board or these Bylaws may provide.

Section 7.2 **Officers Generally.**

(a) **Designations, Term and Election.** The officers of the Corporation shall be a President, a Secretary and a Treasurer. The officers shall be elected by Board at the Annual Meeting and shall serve for a term of one (1) year or as the Board shall determine.

(b) **Standard of Care.** Each officer shall perform his or her duties as an officer in good faith; in a manner he or she reasonably believes to be in the best interests of the Corporation. A person who so performs his or her duties shall not be liable by reason of having been an officer of the Corporation.

(c) **Resignation.** An officer may resign at any time upon written notice to the Corporation. The resignation shall be effective upon receipt by the Corporation or as specified in the notice of resignation.

Section 7.3 **The President.** The President shall preside at all meetings of the Board, have general supervision of the affairs of the Corporation and perform such other duties as are incident to the office or are properly required of the President by the Board. The President shall be an *ex-officio* member of all committees.

Section 7.4 **Secretary.** The Secretary shall issue notices for all meetings of the Board, keep minutes of all meetings, have charge of the corporate books and prepare such reports and perform such duties as are incident to the office or are properly required by the Board.

Section 7.5 **The Treasurer.** The Treasurer shall have the custody of all moneys and securities of the Corporation and shall keep regular books of account. The Treasurer shall disburse the funds of the Corporation in payment in accordance with an approved budget or as may be directed by the Board. The Treasurer shall render to the Board an account of all transactions undertaken as Treasurer and of the financial condition of the Corporation in a timely manner as required by the Board. The Treasurer shall perform all duties as are incident to the office or are properly required by the Board.

Section 7.6 **Executive Director.** The Board may, at its discretion, select an Executive Director who shall be responsible for the administration and conduct of the business and the affairs of the Corporation pursuant to guidelines established by the Board.

Section 7.7 **Removal of Officers and Agents.** Any officer or agent of the Corporation may be removed by the Board, with or without cause, by the affirmative vote of the majority of all Directors.

ARTICLE VIII: DEPOSITORIES

Section 8.1 **Depositories.** The monies of the Corporation shall be deposited in the name of the Corporation in such bank(s) or other financial institutions whose funds are insured against loss, theft or bankruptcy, as the Board shall designate. Corporate funds shall be drawn from such accounts only by check or other order for payment of money signed or otherwise authorized by such persons, and in such manner as may be determined by resolution of the Board.

ARTICLE IX: INDEMNIFICATION

Section 9.1 **Scope of Indemnification.** The Corporation shall fully or partially indemnify any Director, officer and any other person designated by the Board to be indemnified (“indemnified representative”) for liabilities arising in their capacity as an indemnified representative to the fullest extent available under Maryland law and all other applicable law. Such indemnification shall not be available to parties where indemnification is prohibited under Maryland law and all other applicable law, or where the party seeking indemnification initiated the proceeding without authorization from the Board. Indemnification may include partial or full payment of any liabilities to which the individual representative may be subject arising through their capacity as an indemnified representative.

ARTICLE X: BOOKS AND RECORDS

Section 10.1 **Books and Records.** The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the Board; and shall keep at its registered office or principal place of business a record with names and addresses, of all Directors.

ARTICLE XI: FINANCE

Section 11.1 **Audit.** After the close of the fiscal year, financial statements shall be prepared, setting forth the financial condition of the Corporation according to generally accepted accounting principles for a nonprofit corporation in the State of Maryland.

ARTICLE XII: MISCELLANEOUS

Section 12.1 **Corporate Seal.** The Corporation shall have a corporate seal. If the Corporation is required to place its corporate seal to a document, it shall be sufficient to meet the requirement of any law, rule or regulation relating to a corporate seal by placing the word “Seal” adjacent to the signature of the person authorized to sign the document on behalf of the Corporation.

Section 12.2 **Checks and Drafts.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by

the President of the Corporation, or such other officers of the Corporation as may be designated from time to time by resolution of the Board.

Section 12.3 **Contracts**. Except as otherwise provided, the Board may authorize any officer to enter into any contract or to execute or deliver any instrument on behalf of the Corporation. The authority may be general or confined to specific instances. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

Section 12.4 **Insurance**. The Corporation shall maintain adequate insurance, as the same is determined by the Board.

ARTICLE XIII: AMENDMENTS

Section 13.1 **Amendments**. The Articles and these Bylaws may be amended by the affirmative vote of a majority of the Directors, at any Board meeting duly convened, provided that a quorum is present and the text of the proposed amendment has been sent to each Director at least ten (10) days prior to the meeting.

ARTICLE XIV: DISSOLUTION

Section 14.1 In the event of dissolution, liquidation or termination of the Corporation, and after payment of all costs and liabilities thereof, the remaining assets of the Corporation shall be distributed to another charitable organization, which would qualify under the provisions of section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations as they now exist, or as they may hereafter be amended, and none of the assets will be distributed to any private person.