

The Unicode Consortium Bylaws

A California Nonprofit Mutual Benefit Corporation

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ARTICLE I - PURPOSE AND MEMBERSHIP

Section 1. Purpose

This Corporation's purpose shall be to extend, maintain and promote the Unicode Standard and other standards related to internationalization technologies.

Section 2. Classes of Members

This Corporation shall have one (1) class of voting members. These members shall be deemed to be "members" within the meaning of Section 5056 (or any successor section) of the California Nonprofit Corporation Law (the "Nonprofit Law") and are referred to in these bylaws as the "members."

Section 3. Control Group

A Control Group shall be treated as a single member of this corporation for all purposes. A "Control Group" shall include all corporations or other entities which are controlled by a member of this corporation, which control a member of this corporation, or which are controlled by a corporation or entity also controlling a member of this corporation. For purposes of this section, an entity shall be deemed to control another entity if it has the power to direct or cause the direction of management and policies of the other entity.

Section 4. Selection

All corporations, other business entities, governmental agencies, not-for-profit organizations and academic institutions who support the purpose of this corporation as set forth in Section 1 above may become members of the corporation upon payment of the annual dues established for members by the board of directors. Each member shall remain a member for so long as it pays the applicable dues and otherwise remains a member in good standing of the corporation.

Section 5. Consideration

Any class of membership can be issued for no payment or for such payment as is determined by the board of directors. This corporation may issue the whole or any part of its membership as partly paid and subject to call for the remainder of the payment to be paid therefore. Annual membership dues shall be determined by the board. The term of membership shall be for a minimum of twelve (12) months, and commences on the first day of the month following receipt of dues or receipt of proof of authorization for payment of dues, unless the member has specified the month when the membership is to begin.

All dues paid are non-refundable. Dues are for a minimum of twelve (12) months, but a member may pay for a longer term. The additional payment is the amount equal to the product of (a) one-twelfth of the annual membership fee, and (b) the number of additional months.

Section 6. Multiple and Fractional Memberships

No person or entity may hold more than one membership, and no fractional memberships may be held; provided, however, that if authorized by the board, two or more persons may have an indivisible interest in a single membership.

Section 7. Transfer of Memberships

Membership in this corporation, or any rights arising there from, is not transferable or assignable.

Section 8. Term and Termination of Membership

Unless terminated earlier in accordance with this section, a membership will expire at midnight on the last day of the term of membership unless the membership has been renewed.

A member may resign his membership at any time by notifying the secretary of this corporation. Resignation, however, shall not relieve the resigning member from any obligation for charges incurred, services or benefits actually rendered, dues, assessments or fees, whether arising from contract, or otherwise, and shall not diminish any right of this corporation to enforce any such obligation against or obtain damages from such member. A member will not be liable for membership fees if he promptly quits upon receipt of an invoice for such fees.

The rights, powers and privileges of membership in the corporation (a) shall immediately terminate for a member upon the expulsion, resignation, or dissolution of the member or the member's resignation from the corporation, and (b) may not be sold, pledged, encumbered, assigned or otherwise transferred by any member in any manner whatsoever.

The rights, powers and privileges of membership in the corporation shall terminate upon the determination of a two-thirds (2/3) majority of the board of directors after a hearing duly held in accordance with this Section 8, that the member has failed in a material respect to observe the rules of conduct promulgated from time to time by the board of directors and applicable to members, or otherwise has failed in some material respect to merit continued membership privileges in the corporation. Notwithstanding the foregoing, the corporation may not refuse to continue any license that may have been granted by the corporation to such terminated member.

Following the determination by the board that a member should be expelled or suspended, the following procedures shall be implemented:

- (a) A notice shall be sent by mail by prepaid, first-class, certified or registered mail to the most recent address of the member as shown on the corporation's records, setting forth the expulsion or suspension and the reasons therefor. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion or suspension.
- (b) The member being expelled or suspended shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held no fewer than five (5) days before the effective date of the proposed suspension or expulsion. The hearing shall be held by the board of directors. The notice to the member of his proposed expulsion or suspension shall state that such member is entitled, upon request, to such hearing, shall state that a date, time and place of the hearing will be established upon receipt of request therefor, and shall state, that in the absence of such request, the effective date of the proposed suspension or expulsion.
- (c) Following the hearing, the board shall decide whether the member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the board shall be final.

- (d) Any action challenging an expulsion or suspension of membership, including any claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion or suspension.

Section 9. Reinstatement

Suspended or expelled members may be reinstated at the discretion of the board of directors.

ARTICLE II - MEETINGS OF MEMBERS

Section 1. Regular Meetings

Regular meetings of members shall be held annually at such date and place as shall be designated by the board of directors or the officers for the purpose of electing directors and for transacting such other business as may properly come before the members. If the day fixed for the regular meeting shall be a legal holiday in the State of California, such meeting shall be held on the next succeeding business day.

Section 2. Special Meetings

Special meetings of members may be called by the board, the chairman of the board or the officers. In addition, special meetings of members for any lawful purpose may be called by five percent (5%) or more of the members. No business may be transacted at a special meeting unless the general nature of such business was stated in the notice of the special meeting.

Upon request in writing to the chairman of the board or the president by any person or group authorized by these bylaws to call a special meeting (other than the board), the officer forthwith shall cause notice to be given to the members, in accordance with Section 5 of this Article II, that a meeting will be held at the time fixed by the board, which time shall not be less than thirty-five (35) nor more than ninety (90) days after the receipt of the request. This notice shall be given within twenty (20) days after receipt of the request.

Section 3. Place of Meeting

The board of directors may designate any place, either within or without the State of California, as the place of meeting for any regular meeting. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the principal office of this corporation.

Section 4. Record Date

The board may fix, in advance; a date as the record date for the purpose of determining the members entitled to notice of any meeting of members. Such record date shall not be more than ninety (90) or less than ten (10) days before the date of the meeting. If no record date is fixed, members at the close of business on the business day preceding the day on which notice is given or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held are entitled to notice of a meeting of members. A determination of members entitled to notice of a meeting of members shall apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting.

The board may fix, in advance; a date as the record date for the purpose of determining the members entitled to vote at a meeting of members. Such record date shall not be more than sixty (60) days before the date of the meeting. Such record date shall also apply in

the case of an adjournment of the meeting unless the board fixes a new record date for the adjourned meeting. If no record date is fixed, members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting of members or, in the case of an adjourned meeting, members on the day of the adjourned meeting who are otherwise eligible to vote are entitled to vote at the adjourned meeting of members.

The board may fix, in advance; a date as the record date for the purpose of determining the members entitled to cast written ballots. Such record date shall not be more than sixty (60) days before the day on which the first written ballot is mailed or solicited. If no record date is fixed, members on the day the first written ballot is mailed or solicited who are otherwise eligible to vote are entitled to cast written ballots. The board may fix, in advance, a date as the record date for the purpose of determining the members entitled to exercise any rights in respect of any other lawful action. Such record date shall not be more than sixty (60) days prior to such other action. If no record date is fixed, members at the close of business on the day on which the board adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such other action, whichever is later, are entitled to exercise such rights.

Section 5. Notice of Meeting

Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote thereat; provided, however, that if notice is given by mail, and the notice is not mailed first-class, registered or certified mail, that notice shall be given not less than twenty (20) days before the meeting. Such notice shall state the place, date and time of the meeting and, in the case of a special meeting, the general nature of the business to be transacted, or in the case of the regular meeting, those matters which the board, at the time of the mailing of the notice, intends to present for action by the members. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is sent to members.

If approval of the members is sought concerning any of the following matters, the general nature of the proposal must be stated in the notice of meeting or in any written waiver of notice:

- (a) The removal of a director or directors without cause;
- (b) The filling of a vacancy on the board of directors;
- (c) An amendment to the articles of incorporation or bylaws;
- (d) The approval of a contract or other transaction between this corporation and one or more of its directors, or between this corporation and any domestic or foreign corporation, firm or associate in which one or more of its directors have a material financial interest; or
- (e) The voluntary dissolution of this corporation or the approval of a plan of distribution as part of a voluntary dissolution of this corporation.

Notice of a meeting of members shall be given either personally or by mail or other means of written communication, addressed to the member at the address of such member appearing on the books of this corporation or given by the member to this corporation for purpose of notice; or if no such address appears or is given, at the place where the principal office of this corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal office is located.

If any notice addressed to a member at the address of such member appearing on the books of this corporation is returned to this corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the member at such address, all future notices shall be deemed to have been duly given without further mailing if the same shall be available for the member upon written demand of the member at the principal office of this corporation for a period of one (1) year from the date of the giving of the notice to all other members.

When a meeting of members is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. No meeting, annual or special, may be adjourned for more than 45 days to another time or place.

The actions of any meeting of members, however called and noticed, and wherever held, are as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the member objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by law to be included in the notice but not so included, if such objection is expressly made at the meeting.

Section 6. Quorum and Adjournment

Fifty percent (50%) of the voting power, represented in person or by proxy, shall constitute a quorum at a meeting of members. In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the votes represented either in person or by proxy, but no other business may be transacted, except as provided by law.

Section 7. Manner of Acting

Each member shall be entitled to one (1) vote on each matter submitted to a vote of the members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be the act of the members, unless the vote of a greater number is required by law or these bylaws. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the voting power required to constitute a quorum.

Section 8. Voting by Proxies

Any member may authorize another person or persons to vote on behalf of that member by a written proxy executed by such member or the member's duly authorized agent and filed with the secretary of this corporation. A proxy shall be deemed executed if the member's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the member or the member's attorney-in-fact.

No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy, except that the maximum term of a proxy shall be

three (3) years from the date of execution. Every proxy continues in force and effect until revoked by the person executing it prior to the vote pursuant thereto. Such revocation may be effected by a writing delivered to this corporation stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting, or as to any meeting by attendance at such meeting and voting in person by the person executing the proxy.

If this corporation has one hundred (100) or more members, any form of proxy distributed to ten (10) or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited and shall provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter the vote shall be cast in accordance therewith.

In any election of directors, any form of proxy in which the directors to be voted upon are named therein as candidates and which is marked by a member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director.

A proxy is not revoked by the death or incapacity of the maker or the termination of a membership as a result thereof unless, before the vote is counted, written notice of such death or incapacity is received by this corporation.

Notwithstanding notice of the death or incapacity of a member received by this corporation, the proxy of a member which states that it is irrevocable is irrevocable for the period specified therein when it is held by any of the following or a nominee of any of the following: a creditor or creditors of this corporation or the member who extended or continued credit to this corporation or the member in consideration of the proxy, if the proxy states that it was given in consideration of such extension or continuation of credit and the name of the person extending or continuing the credit; or a person who has contracted to perform services as an employee of this corporation, if the proxy is required by the contract of employment and if the proxy states that it was given in consideration of such contract of employment, the name of the employee and the period of employment contracted for. Notwithstanding the period of irrevocability specified, the proxy becomes revocable when the debt of this corporation or the member is paid, or the period of employment provided for in the contract of employment has terminated.

A proxy of a member may be irrevocable, notwithstanding notice of the death or incapacity of a member received by this corporation, if it is given to secure the performance of a duty or to protect a title, either legal or equitable, and until the happening of events which, by the terms of the proxy, discharge the obligations secured by the proxy.

A revocable proxy may only be used to vote with respect to the following matters if the proxy states that it may be voted with respect to following matters:

- (a) the removal of a director or directors without cause;
- (b) an amendment to the bylaws repealing, restricting, creating or expanding proxy rights;
- (c) an amendment to the articles of incorporation;

- (d) the sale, lease, conveyance, exchange, transfer or other disposition of all or, substantially all of this corporation's assets not in the usual course of business;
- (e) The principal terms of a merger agreement;
- (f) a resolution to dissolve this corporation voluntarily,
- (g) the filling of a vacancy on the board of directors;
- (h) the approval of a contract or other transaction between this corporation and one or more of its directors, or between this corporation and any domestic or foreign corporation, firm or association in which one or more directors have a material financial interest; or
- (i) a distribution in dissolution other than in accordance with the rights of outstanding preferred memberships, if any.

Section 9. Voting by Written Ballot

Any action which may be taken at any regular or special meeting of members may be taken without a meeting if this corporation distributes a written ballot to every member entitled to vote on the matter. Such ballot shall set forth the proposed action provide an opportunity to specify approval or disapproval of any proposal, and provide thirty (30) days which to return the ballot to this corporation.

Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified, or any extension thereof, equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting, at which the total number of votes cast was the same as the number of votes cast by ballot.

Written ballots shall be solicited either personally or by mail or other means of written communication, addressed to the member at the address of such member appearing on the books of this corporation or given by the member to this corporation for purpose of notice; or if no such address appears or is given, at the place where the principal office of this corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal office is located.

If any written ballot addressed to a member at the address of such member appearing on the books of this corporation is returned to this corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the member at such address, all future notices shall be deemed to have been duly given without further mailing if the same shall be available for the member upon written demand of the member at the principal office of this corporation for a period of one (1) year from the date of the giving of the notice to all other members.

If this corporation shall have one hundred (100) or more members, any form of written ballot distributed to ten (10) or more members shall afford an opportunity on the form of written ballot to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot is distributed, to be acted upon by such written ballot, and shall provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter the vote shall be cast in accordance therewith.

In any election of directors, any form of written ballot in which the directors to be voted upon are named therein as candidates and which is marked by a member "withhold" or

otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director.

All such solicitations of written ballots shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify by the time by which the ballot must be received in order to be counted.

A written ballot cannot be revoked.

Section 10. Inspectors of Election

In advance of any meeting of members, the board may appoint inspectors of election to act at the meeting and any adjournment thereof. If inspectors of election are not so appointed, or if any person so appointed fails to appear or refuses to act, the chairman of any meeting of members may, and on the request of any member or a member's proxy shall, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. The number of inspectors shall be either one (1) or three (3). If appointed at a meeting on the request of one (1) or more members or proxies, the majority of members represented either in person or by proxy shall determine whether one (1) or three (3) inspectors are to be appointed.

The inspectors of election shall: determine the number of memberships outstanding and the voting power of each, the number represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies; receive votes, ballots or consents; hear and determine all challenges and questions in any way arising in connection with the right to vote; count and tabulate all votes or consents, determine when the polls shall close; determine the result and do such acts as may be proper to conduct the election or vote with fairness to all members.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.

ARTICLE III - BOARD OF DIRECTORS

Section 1. General Powers

Subject to the provisions of the Nonprofit Law and any limitation in the articles and bylaws of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board. The board may delegate the management of the activities of this corporation to any person or persons, management company, or committee however composed, provided that the activities and affairs of this corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board.

Section 2. Number of Directors

The board of directors shall consist of not less than three (3) nor more than nine (9) members, and the exact number of directors initially authorized shall be seven (7). The exact authorized number of directors shall be fixed from time to time, within the limits

specified in this section or in the articles of incorporation, by the board of directors or by a bylaw or amendment thereof duly adopted by the members of this corporation.

Section 3. Selection

The directors shall be elected at a regular meeting of the members or by written ballot or in any other manner authorized by law. Each member eligible to vote shall cast the number of votes held for each office of director to be filled without the right to cumulate votes. In any election of directors by members, the candidates receiving the highest number of votes are elected. Elections for directors need not be by ballot unless a member demands election by ballot at the meeting and before the voting begins.

By resolution, the board of directors shall authorize a nomination and selection procedure which includes a reasonable means for members to nominate persons for election as directors, a reasonable opportunity for a nominee to communicate to the members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for all nominees to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

Section 4. Term

The directors shall be divided into three (3) classes, as nearly equal as reasonably possible, so that each class elected at an annual meeting of the members will serve a three year term from January 1 and continuing for thirty-six months to the third succeeding December 31 with the term of office of the first class commencing on January 1, 2007 and expiring on December 31, 2009, the term of office of the second class to expire on December 31, 2010 and the term of office of the third class to expire on December 31, 2011. At each annual meeting of members following such initial classification and election, directors shall be elected to succeed the class of directors whose terms expire in the current year, with the terms of office of the directors elected at the meeting to begin on January 1 of the calendar year following their election and to expire on the third succeeding December 31. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of that director's term of office, except as otherwise provided by law.

Section 5. Regular Meetings

The board of directors may fix by resolution the time and place, either within or without the State of California, for the holding of regular meetings of the board without other notice than such resolution. Notice of any change in the time or place of regular meetings shall be given to all of the directors in the same manner as notice for special meetings of the board of directors.

Section 6. Special Meetings

Special meetings of the board of directors for any purpose or purposes may be called by the chairman of the board or the president or, if both the chairman of the board and the president are absent or refuse to act, by any vice president (if the board of directors shall have created such office or offices) or by any two (2) directors.

Section 7. Notice

Special meetings of the board of directors shall be held upon four (4) days' notice; by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone or telegraph or facsimile transmission, charges prepaid, to each director at his address as shown on the records of this corporation or, if it is not shown on the records and is not readily ascertainable, at the place at which the meetings of the directors are regularly held. If mailed, such notice shall be deemed to be delivered when deposited in the United States

mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram or facsimile transmission, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company or actually transmitted by the person giving notice by electronic means. Any notice given personally or by telephone may be communicated either to the director or to a person at the office of the director whom the person giving the notice has reason to believe will promptly communicate it to the director. Notice of a meeting need not be given to any director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to himself. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

Section 8. Quorum and Adjournment

A majority of the number of directors authorized by these bylaws shall constitute a quorum for the transaction of business at any meeting of the board. A majority of the directors present, whether or not a quorum is present, may adjourn the meeting for twenty-four (24) hours or less without further notice. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 9. Manner of Acting

The act of a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the board of directors, unless the act of a different number is authorized by law, the articles of incorporation or these bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Members of the board of directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting in such a manner constitutes presence in person at such meeting.

Section 10. Action Without a Meeting of the Board

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

Section 11. Standard of Conduct

Pursuant to Section 7231 of the California Nonprofit Corporation Law, a director shall perform the duties of a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

a. One or more officers or employees of this corporation whom the director believes to be reliable and competent in the matters presented;

b. Legal counsel, independent accountants or other professionals as to matters which the director believes to be within such person's professional or expert competence; or

c. A committee of the board upon which the director does not serve, as to matters within the committee's designated authority, which committee the director believes to merit confidence. Provided, that in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 12. Self-Dealing Transactions

As used in this section, a "self-dealing contract" is any contract or transaction (i) between this corporation and one or more of its directors, or between this corporation and any corporation, firm or association in which one or more of the directors has a material financial interest, or (ii) between this corporation and a corporation, firm or association of which one or more of its directors are directors of this corporation (collectively, "Interested Director(s)"). Pursuant to Section 7233 of the California Nonprofit Corporation Law, no self-dealing contract shall be void or voidable because such Interested Director(s) or corporation, firm or association are parties or because such Interested Director(s) are present at the meeting of the board or committee which authorizes, approves or ratifies the self-dealing contract, if:

a. **Membership Approval.** All material facts are fully disclosed to or otherwise known by the members and the self-dealing contract is approved by the members in good faith without including the vote of any membership owned by such Interested Director(s); or

b. **Board or Committee Approval.** All material facts are fully disclosed to or otherwise known by the board or committee and the board or committee authorizes, approves, or ratifies the self-dealing contract in good faith (without counting the vote of the Interested Director(s)), and, in the case of a self-dealing contract described above, the board or committee resolves and finds that the contract is just and reasonable at the time it is authorized, approved or ratified; or

c. **Just and Reasonable Contract.** The person asserting the validity of the self-dealing contract sustains the burden of proving that the contract was just and reasonable as to the corporation at the time it was authorized, approved or ratified.

Interested Director(s) may be counted in determining the presence of a quorum at a meeting of the board or a committee thereof which authorizes, approves or ratifies a contract or transaction as provided in this Section 12.

Section 13. Removal and Filling Vacancies

The board may declare vacant the office of a director who has been declared of unsound mind by a final order of a court, or convicted of a felony, or, with regard to assets held in charitable trust, has been found by a final order or judgment of any court to have breached any duty arising under Section 7238 of the Nonprofit Law or any successor section thereto. The board may also declare vacant the office of a director who has failed to attend two (2) consecutive meetings.

The members with or without cause may remove any or all directors. If the corporation has less than fifty (50) members, such removal shall be approved by a majority of all members. If this corporation has fifty (50) or more members, such removal shall be approved by a majority of the members who are represented and voting at a duly held meeting or by written ballot without meeting.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

Any vacancy occurring on the board of directors, including a vacancy created by reason of the removal of a director, as well as any directorship to be filled by reason of an increase in the number of directors shall be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a duly held meeting, or (3) a sole remaining director. The members may elect a director at any time to fill any vacancy not filled by the directors.

Section 14. Compensation

Directors and members of committees may receive such compensation, if any, for their services and such reimbursement of expenses as may be determined by resolution of the board of directors to be just and reasonable or as may be approved by the members.

Section 15. No Interest in Assets

During the life of this corporation, no director shall possess any property right in or to the property of this corporation. In the event this corporation owns or holds any property upon its dissolution and winding up, after paying or adequately providing for its debts and obligations, the directors shall dispose of the remaining property in accordance with the provisions of the articles of incorporation and the nonprofit Law.

Section 16. Resignation

Any director may resign effective upon giving written notice to the chairman of the board, the president, the secretary or the board of directors of this corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

ARTICLE IV - OFFICERS

Section 1. Officers

The officers of this corporation shall be a chairman of the board or a president or both, a secretary, a treasurer and such other officers, including vice presidents, with such titles and duties as shall be determined by the board of directors. Any number of offices may be held by the same person, except that the president, secretary and treasurer must be different persons.

Section 2. Selection and Term of Office

The officers of this corporation shall be chosen by the board of directors and shall serve at the pleasure of the board.

Section 3. Removal

Any officer selected by the board of directors may be removed by the board of directors at any time and for any reason or for no reason.

Section 4. Resignation

Any officer may resign at any time upon written notice to this corporation without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

Section 5. Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors.

Section 6. Chairman of the Board

The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the board of directors, and exercise and perform such other powers and duties as may be from time to time assigned to the chairman of the board by the board of directors or prescribed by these bylaws.

Section 7. President

Subject to such powers and duties, if any, as may be prescribed by these bylaws or the board of directors for the chairman of the board, the president shall be the general manager and chief executive officer of this corporation and shall, subject to the control of the board of directors, have general supervision, direction and control of the business and officers of this corporation. He shall preside at all meetings of the members and, in the absence of the chairman of the board, at all meetings of the board of directors. He shall have all of the powers and shall perform all of the duties which are ordinarily inherent in the office of the president, and he shall have such further powers and shall perform such further duties as may be prescribed for him by the board of directors.

Section 8. Treasurer

The treasurer shall be the chief financial officer of this corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of this corporation. He shall receive and deposit all moneys and other valuables belonging to this corporation in the name and to the credit of this corporation and shall disburse the same only in such manner as the board of directors or the appropriate officers of this corporation may from time to time determine and shall render to the chief executive officer and the board of directors, whenever they request it, an account of all his transactions as treasurer and of the financial condition of this corporation. He shall have all of the powers and shall perform all of the duties incident to the office of treasurer, and he shall have such further powers and shall perform such further duties as may be prescribed for him by the board of directors.

Section 9. Secretary

The secretary shall keep or cause to be kept at the principal executive office of this corporation, or such other place as the board of directors may order, a book of minutes of all proceedings of the members and the board of directors, with the time and place of holding, whether regular or special, and if special how authorized, the notice thereof given, the names of those present at directors' meetings, and the number of members present or represented at meetings of members. The secretary shall keep or cause to be kept at the principal executive office or at such other place as the board of directors may order a record of members or a duplicate record of members showing the names of the members and their

addresses. The secretary or, if he is absent or unable or refuses to act, any other officer of this corporation, shall give or cause to be given notice of all the meetings of the members, the board of directors and committees of the board required by the bylaws or by statute to be given, and he shall keep the seal of this corporation, if any, in safe custody. He shall have all of the powers and perform all of the duties incident to the office of secretary, and he shall have such further powers and shall perform such further duties as may be prescribed for him by the board of directors.

Section 10. Vice Presidents

If the board shall have appointed one or more vice presidents, the vice president senior in order of rank as fixed by the board or, if not ranked, the vice president designated by the president or the board, shall perform all of the duties of the president when the president is absent or disabled or has refused to act. When so acting, the vice president shall have all the powers of and be subject to all the restrictions upon the president. The vice presidents shall have such other powers and perform such other duties as may be prescribed for them by the board of directors.

ARTICLE V - COMMITTEES

Section 1. Committees of Directors

The board of directors may, by resolution adopted by a majority of the number of directors then in office, provided that a quorum is present, create one or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the board. Appointments to such committees shall be by a majority vote of the directors then in office. The board of directors may appoint one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except with respect to:

- (a) the approval of any action which, under California Nonprofit Law, also requires approval of the members or approval of the board of directors;
- (b) the filling of vacancies on the board or on any committee which has the authority of the board;
- (c) the fixing of compensation of the directors for serving on the board or on any committee;
- (d) the amendment or repeal of bylaws or the adoption of new bylaws;
- (e) the amendment or repeal of any resolution of the board which by its express terms is not so amendable or repealable;
- (f) the appointment of committees of the board or the members thereof;
- (g) the expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or
- (h) with respect to assets held in charitable trust, the approval of any self-dealing transaction as defined by Section 5233 of the Nonprofit Law or any successor section thereto, except as provided by law.

Section 2. Rules

Sections 5 to 16 of Article III of these bylaws shall also apply, with necessary changes in point of detail, to committees exercising the authority of the board of directors, if any, and

to actions by such committees, except that (a) the first sentence of Section 8 of Article III shall not apply and a quorum of the committee shall be a majority of the authorized number of members of the committee and except that (b) special meetings of a committee may be called by any two members of the committee, unless otherwise provided by these bylaws or by the resolution of the board of directors designating such committees. For such purpose, references to "the board" or "the board of directors" shall be deemed to refer to each such committee and references to "directors" or "members of the board" shall be deemed to refer to members of the committee.

Section 3. Other Committees

Other committees not having and exercising the authority of the board of directors in the management of this corporation may be designated by a resolution adopted by a majority of the directors. Except as otherwise provided in such resolution, members of each such committee shall be members of this corporation. Each such committee may adopt rules for its own governance not inconsistent with the rules set forth by the board of directors in the resolution designating the committee.

ARTICLE VI - MISCELLANEOUS

Section 1. Contracts

The board of directors may authorize any officer or officers to be agent or agents of this corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of this corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc.

All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of this corporation shall be signed by such officer or officers, agent or agents, of this corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the treasurer and countersigned by the chief executive officer of this corporation.

Section 3. Deposits

All funds of this corporation shall be deposited from time to time to the credit of this corporation in such banks, trust companies or other depositories as the board of directors may select.

Section 4. Donations

The chief executive officer of this corporation or his designee is authorized to accept donations which support the purposes of this corporation as set forth in the articles of incorporation of this corporation whether such donation is for a specific project or projects or is for the general support of this corporation's programs.

Section 5. Representation of Corporate Shares

The president or any vice president or the secretary or any assistant secretary of this corporation is authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein warranted to said officers to vote or represent on behalf of this corporation any and all shares held by this corporation in any

other corporation or corporations may be exercised either by such officers in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officers.

ARTICLE VII - BOOKS AND RECORDS

This corporation shall keep at its principal office in this state, if any, the original or a copy of its articles and bylaws as amended to date, which shall be open to inspection by members at all reasonable times during office hours. If this corporation has no office in California, it shall, upon the written request of any member, furnish to such member a copy of the articles and bylaws as amended to date.

This corporation shall keep adequate and correct books and records of account and shall also keep minutes of the proceedings of its members, board of directors and committees of the board and shall also keep a record of the names and addresses of the members entitled to vote. Minutes shall be kept in written form. Other books and records shall be kept either in written form or in any other form capable of being converted into written form.

Subject to the provisions of the Nonprofit Law regarding access to members' names, addresses and voting rights, any member of this corporation may: (a) inspect and copy the records of members' names and addresses and voting rights during usual business hours on five (5) days' prior written demand on this corporation, stating the purpose for which the inspection rights are requested, and (b) obtain from the secretary of this corporation, on written demand and on the tender of the secretary's usual charges for such a list, if any, a list of names and addresses of members who are entitled to vote for the election of directors and their voting rights, as of the most recent record date for which that list has been compiled, or as of a date specified by the member after the date of demand. The demand shall state the purpose for which the list is requested. This list shall be made available to any such member by the secretary on or before the later of ten (10) days after the demand is received or the date specified in it as the date by which the list is to be compiled. All other books and records of this corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time. Any right of inspection includes the right to copy and make extracts and extends to the records of each subsidiary of this corporation, if any.

ARTICLE VIII - ANNUAL AND OTHER REPORTS

Section 1. Annual Statement of Certain Transactions

The board of directors shall cause to be prepared and sent annually to the members and directors, within one hundred twenty (120) days after the close of this corporation's fiscal year, a statement which briefly describes each of the following transactions, if any:

- (a) Any "covered transaction" (excluding compensation of officers and directors) during the previous fiscal year involving more than fifty thousand dollars (\$50,000), or which was one of a number of "covered transactions" in which the same "interested person" had a direct or indirect material financial interest, and which transactions in the aggregate involved more than fifty thousand dollars (\$50,000). For purposes of this section, a "covered transaction" with an "interested person" means a transaction in which this corporation, its parent or its subsidiary was a party, and in which either

of the following persons had a direct or indirect material financial interest; any director or officer of this corporation, or its parent or its subsidiary; or any holder of more than ten percent (10%) of the voting power of this corporation, its parent or its subsidiary. A common directorship is not a material financial interest within the meaning of this section. The description of such "covered transaction" should include the names of the "interested persons" involved in such transaction, stating such person's relationship to this corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated; and,

- (b) any indemnification or advance aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or director of this corporation pursuant to Section 7237 or any successor section of the Nonprofit Law providing for the indemnification of officers and directors; provided that no such report need be made in the case of indemnification approved by the members. The amount and circumstances of such indemnification should be stated. If this corporation issues a report pursuant to Section 2 of this article, the statement required by this section shall be included therein.

If this corporation issues a report pursuant to Section 2 of this article, the statement required by this section shall be included therein.

Section 2. Financial Information

If this corporation receives ten thousand dollars (\$10,000) or more in gross revenues or receipts during the fiscal year, the board of directors shall cause to be prepared annually, within one hundred twenty (120) days after the close of this corporation's fiscal year, an annual report containing in appropriate detail the following information:

- (a) a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year;
- (b) a statement of the place where the names and addresses of the current members may be found; and
- (c) any information required by Section 1 of this article.

The report required by this section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of this corporation that such statements were prepared without audit from the books and records of this corporation. This corporation shall notify each member yearly of the member's right to receive the annual report prepared pursuant to this section and send the report to those members who request it.

ARTICLE IX – INDEMNIFICATION

This corporation shall, to the maximum extent permitted by the Nonprofit Law, indemnify each of its present and former directors, officers, employees or other agents (hereafter collectively referred to as "Agents") against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding or any threatened proceeding arising by reason of the fact that any such person is or was an Agent of this corporation. In the event that entitlement to indemnification is required by law to be based upon a determination by the board of directors or the members that the Agent has met the standards of conduct prescribed by law, the agent may select which body shall, or

that both bodies shall, make such determination, and such body shall meet and shall reach a determination on the issue within a reasonable period of time after request for such body to meet is received by the corporation from the Agent. Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it is determined ultimately that the Agent is entitled to be indemnified as authorized by this article.

The board of directors may authorize this corporation to purchase and maintain insurance on behalf of any Agent against any liability asserted against or incurred by such person in such capacity or arising out of the person's status as such, whether or not this corporation would have the power to indemnify such person against such liability.

ARTICLE X - LIMITATION OF LIABILITY OF VOLUNTEER DIRECTORS AND OFFICERS

Except as provided in Section 7233 or 7236 of the Nonprofit Law, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any volunteer director or volunteer executive committee officer of this corporation based upon any alleged failure to discharge the person's duties as a director or officer if the duties are performed in a manner that meets all of the following criteria:

- (a) the duties are performed in good faith;
- (b) the duties are performed in a manner such director or officer believes to be in the best interests of the corporation; and
- (c) the duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

For purposes of this section, "volunteer" means the rendering of services without compensation, "compensation" means remuneration whether by way of salary, fee, or other consideration for services rendered (the payment of per diem, mileage, or other reimbursement expenses to a director or executive committee officer does not affect that person's status as a volunteer for purposes of this section), and "executive committee officer" means the president, vice president, secretary or treasurer of the corporation who assists in establishing the policy of the corporation.

ARTICLE XI - CORPORATE LOANS, GUARANTEES AND ADVANCES

Except as provided by Section 7235 or successor sections of the Nonprofit Law, this corporation shall not make any loan of money or property to or guarantee the obligation of:

- (a) any director or officer of this corporation or of its parent or any subsidiary, or
- (b) any person upon the security of memberships of this corporation or its parent, unless said loan guarantee is otherwise adequately secured.

ARTICLE XII - AMENDMENTS TO BYLAWS

New bylaws may be adopted, or these bylaws may be amended or repealed, by the approval of the board of directors or by the approval of the members; provided, however, that no amendment on the following matters may be adopted except by approval of the members of this corporation:

- (a) an amendment to Section 2 of Article III changing the maximum or minimum number of directors of this corporation;
- (b) an amendment increasing the term of any director as provided by Section 4 of Article III;
- (c) an amendment increasing the quorum at a meeting of members established by Section 6 of Article II; or,
- (d) an amendment repealing, restricting, creating or expanding the proxy rights of members.