

BYLAWS  
OF THE  
WI-FI ALLIANCE  
*A California Nonprofit Mutual Benefit Corporation*

1. **Name.** The name of this corporation is the Wi-Fi Alliance.
2. **Offices of the Corporation.**

2.1 **Principal Office.** The principal office for the transaction of activities, affairs, and business of the corporation (“principal office”) is located at 3925 West Braker Lane, Austin, TX 78759 USA. The board of directors (“board”) may change the principal office from one location to another. Any change of location of the principal office shall be noted by the secretary on these bylaws opposite this section, or this section may be amended to state the new location.

2.2 **Other Offices.** The board may, at any time, establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

3. **Purposes and Limitations.**

3.1 **Purpose.** This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law. Without limiting the generality of the foregoing, the specific purpose of the corporation is to promote IEEE 802.11 High Rate wireless local-area networking and multi-vendor interoperability for markets including the enterprise, small office, and home. The corporation is founded for the benefit of all wireless local area network (LAN) users or those having a

legitimate interest in high-speed wireless networking, and vendors or manufacturers of high-speed wireless networking and multimedia products.

**3.2 Limitations.** Notwithstanding any other provision of these bylaws, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes for which the corporation is organized as herein set forth. The corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986.

#### **4. Members.**

**4.1 Classes of Membership.** This corporation shall have two classes of members, designated as “sponsor members” and “regular members.”

**4.1.1 Qualifications for Regular Membership.** Any company shall be eligible to be a regular member if it demonstrates that it is dedicated to the purposes of this corporation by

- a. publicly displaying a legitimate business interest; *AND*
- b. publicly supporting, in the form of a press release or as evidenced by shipping products or enabling technology, such as, for example, chip sets, software, etc. for IEEE 802.11 High Rate wireless LAN products, or deploying for public access products employing the IEEE 802.11 High Rate standard for wireless LANs; *AND*
- c. receiving approval of the membership application by the board; *AND*
- d. paying such dues and fees as the board may fix from time to time.

4.1.2 Qualifications for Membership as a Sponsor Member. Any company shall be eligible for sponsor-level membership that satisfies the requirements for membership as a regular member and, in addition,

- a. Agrees to actively promote the IEEE 802.11 High Rate standard as the primary standard for wireless LAN products operating in each frequency range approved for use by IEEE 802.11 compliant equipment; *AND*
- b. Is shipping, or deploying for public access, IEEE 802.11 High Rate products *or* enabling technology, such as, for example, chip sets, software, etc. for IEEE 802.11 High Rate wireless LAN products; *AND*
- c. Is sponsored by a sponsor company; *AND EITHER*
- d. Receives two-thirds (2/3) vote of approval by sponsor companies; *OR*
- e. Is a Charter Member of the organization.

4.1.3 Voting. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Sponsor members shall vote with regular members in all matters submitted to a vote of the general membership. Except with respect to those matters for which a vote of the members is required under the California Nonprofit Mutual Benefit Corporation Law, neither the board nor the sponsor members, nor any officer, shall be required to seek, submit, or obtain a vote of the general membership for any particular matter, though any of the foregoing may do so at any time in its discretion to the extent permitted under applicable law, the articles of incorporation, or these bylaws.

**4.2 Other persons associated with the corporation.** The corporation may refer to other persons or entities associated with it (including observers) as “members” even though such persons or entities are not voting members as set forth in Section 4.1 of these bylaws, and no

such reference shall constitute anyone a member within the meaning of Section 5056 of the California Corporations Code unless that person or entity shall have qualified for such a voting membership under Section 4.1 of these bylaws. References in these bylaws to “members” shall mean the sponsor members and regular members. When the context requires, references in these bylaws to members shall be deemed to refer to the members’ duly authorized individual representatives. By amendment of its articles of incorporation or of these bylaws, the corporation may grant some or all the rights of a member of any class, as set forth in these bylaws, to any person or entity that does not have the right to vote on any of the matters specified in Section 4.1 of these bylaws, but no such person or entity shall be a member within the meaning of Section 5056 of the California Corporations Code.

**4.3 Dues, Fees, and Assessments.** Each member must pay, within the time and on the conditions set by the board, the dues, fees, and assessments in amounts to be fixed from time to time by the board. The dues, fees, and assessments shall be equal for all members of each class, but the board may, in its discretion, set different dues, fees, and assessments for each class.

**4.4 Good Standing.** Those members who have paid the required dues, fees, and assessments in accordance with these bylaws and who are not suspended shall be members in good standing.

#### **4.5 Termination and Suspension of Membership.**

**4.5.1 Causes of Termination.** A membership shall terminate on occurrence of any of the following events:

a. Resignation of a member, on written notice to the corporation;

b. Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the board;

c. Failure of a member to pay dues, fees, or assessments as set by the board within sixty (60) days after they become due and payable;

d. Occurrence of any event that renders a member ineligible for membership, or failure to satisfy membership qualifications;

e. Expulsion of the member under Section 4.5.3 of these bylaws, based on the good faith determination by the board or a committee or person authorized by the board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

4.5.2 Suspension of Membership. A member may be suspended, under Section 4.5.3 of these bylaws, in the absolute discretion of the board, if the circumstances set forth in Sections 4.5.1d or e exist or if the member fails to pay dues, fees or assessments as set by the board within thirty (30) days after they become due and payable. In addition, a member shall automatically be suspended in the event of a merger, asset sale or other transaction which results in an effective change of control of the member (a “Member Corporate Transaction”). A suspended member may be reinstated only upon approval of the board of directors by a vote of two-thirds (2/3) of the directors then in office in its absolute discretion.

An entity whose membership is suspended shall not be a member during the period of suspension. No meeting or vote taken in which a suspended member participates shall be void or voidable because of such suspended member’s participation, but such suspended member’s presence and/or vote shall not be counted for any purpose.

4.5.3 Procedure for Expulsion or Suspension. If grounds appear to exist for expulsion or suspension of a member under Sections

4.5.1 and 4.5.2 of these bylaws, the procedure set forth below shall be followed:

a. The member shall be given fifteen (15) days' prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice and may be sent electronically.

b. The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed action. The hearing shall be held, or the written statement considered, by the board or by a committee or person authorized by the board to determine whether the expulsion or suspension should take place;

c. The board, such committee, or such person shall decide whether or not the member should be expelled, suspended, or sanctioned in some other way. The decision of the board, such committee, or such person shall be final;

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

The foregoing procedure shall not apply in the event of a Member Corporate Transaction, which shall instead be subject to the provisions of Section 4.6 below.

4.5.4 Notwithstanding the provisions of Section 4.5, the board, or a committee or person designated by the board, may unilaterally and without further procedural formalities suspend a membership for nonpayment of dues, fees or assessments as set by the board within thirty (30) days after they become due and payable and expel the member sixty (60) days after they become due and payable, provided that the member has received notice of such procedure not less than thirty (30) days prior to

each event. A single notice may be used to provide notice of both the potential suspension and the potential expulsion for nonpayment.

**4.6 Transfer of Memberships.** Memberships are not transferable, except with the approval of the board, which will not be unreasonably withheld, but the board may impose transfer fees or other conditions on the transferring party as it deems fit, provided those fees and conditions are the same for similarly situated members. Unless otherwise provided by board action, the proposed transferee shall be required to submit a new application for membership as a condition to becoming a member. All rights of membership cease on the member's dissolution.

**4.7 Dissolution and Winding Up.** If the corporation is dissolved, both sponsor members and regular members shall receive a pro-rata distribution of all assets (based on their respective levels of fee contribution), exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of the corporation and provision for any other payment required under applicable law.

## **5. Meetings of Members.**

**5.1 Place of Meeting.** Meetings of the members shall be held at any place within or outside California designated by the board or by written consent of all persons entitled to vote at the meeting, given before or after the meeting.

**5.2 Annual Meeting.** An annual members' meeting shall be held each year at a time to be fixed for that year by the board. Any proper business may be transacted at this meeting, subject to Sections 5.4.2 and 5.5.1 of these bylaws.

### **5.3 Special Meetings.**

5.3.1 Persons Authorized to Call. A special meeting of the general membership or of the sponsor members for any lawful purpose may be called at any time by the board, the board chairperson or president, or by five percent (5%) or more of the regular members or the sponsor members.

5.3.2 Calling Meetings. A special meeting called by any person (other than the board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the chairperson of the board, if any, or the president or any vice president or the secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Section 5.4 of these bylaws, stating that a meeting will be held at a specified time and date fixed by the board, provided, however, that the meeting date shall be at least thirty-five (35) but not more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the board.

5.3.3 Proper Business of Special Meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

### **5.4 Notice Requirements for Members' Meetings.**

5.4.1 General Notice Requirements. Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with Section 5.4.3 of these bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting, and (A) for a special

meeting, the general nature of the business to be transacted, and no other business may be transacted, or (B) for the annual meeting, those matters that the board, at the time notice is given, intends to present for action by the members.

5.4.2 Notice of Certain Agenda Items. Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- a. Removing a director without cause;
- b. Filling vacancies on the board;
- c. Amending the articles of incorporation;
- d. Approving a contract or transaction between the corporation and one or more directors, or between the corporation and any entity in which a director has a material financial interest;
- e. Electing to wind up and dissolve the corporation;
- f. Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or bylaws, when the corporation is in the process of winding up; or
- g. Imposing a special assessment on members.

5.4.3 Manner of Giving Notice. Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first-class, registered or certified mail, by confirmed facsimile or electronic mail transmission or by other means of written communication, charges prepaid, and shall be addressed to each delegate

(and alternate delegate if the board so chooses) of each member entitled to vote, at the address of that member appearing on the books of the corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either (A) notice is sent to that member by first-class mail or telegraphic or other written communication to the corporation's principal office or (B) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

5.4.4 Affidavit of Mailing Notice. An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the corporation, and, if so executed, shall be filed and maintained in the corporation's minute book.

## 5.5 **Quorum.**

5.5.1 Percentage Required. Fifty percent (50%) of the members and two-thirds (2/3) of the sponsor members shall constitute a quorum for the transaction of business at any meeting of members. Each member shall be represented either by its primary representative or by one alternate representative designated as such in the records of the corporation.

5.5.2 Loss of Quorum. The members or sponsor members, as applicable, present at a duly called or held meeting at which a quorum is initially present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least two-thirds (2/3) of the members required to constitute a quorum.

5.6 **Adjournment and Notice of Adjourned Meeting**. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of two-thirds (2/3) of the members represented at the meeting, either in person or by proxy. No meeting may

be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

## **5.7 Voting.**

5.7.1 Eligibility to Vote. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members entitled to vote at any meeting of the general membership shall be regular members and sponsor members in good standing as of the record date determined under Sections 5.10.1 and 5.10.2 of these bylaws and members entitled to vote at any meeting of sponsor members shall be sponsor members in good standing as of the record date determined under Sections 5.10.1 and 5.10.2 of these bylaws.

5.7.2 Manner of Casting Votes. Voting may be by voice or ballot, except that any election of directors must be by ballot if demanded by any members at the meeting before the voting begins.

5.7.3 Voting. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members and each sponsor member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the sponsor members. Each member's or sponsor member's vote, as applicable, will be cast by either its primary delegate or an alternate delegate, but not both.

5.7.4 Approval by Two-Thirds Vote of Members. If a quorum is present, the affirmative vote of two-thirds (2/3) 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 or voting by classes is required by the California Nonprofit Mutual Benefit Corporation Law, by the articles of incorporation, or by these bylaws. Any matter approved by a general membership vote shall not be binding on the corporation without the approval of a two-thirds (2/3) majority of the sponsor members at a duly called meeting at which a quorum is present or by written consent of the sponsor members, as provided in Section 5.9 below, unless at least two-thirds (2/3) of the sponsor members participate in the general membership vote and at least two-thirds (2/3) of the sponsor members voting waive the requirement of a separate vote by the sponsor members.

## **5.8 Waiver of Notice or Consent.**

5.8.1 Written Waiver or Consent. The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (A) a quorum is present either in person or by proxy, and (B) either before or after the meeting, each member entitled to vote, who is not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 5.4.2, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes.

5.8.2 Waiver by Attendance. A member's attendance at a meeting also shall constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice

of the meeting but not so included, if that objection is expressly made at the meeting.

## **5.9 Action Without a Meeting.**

**5.9.1 Action by Unanimous Written Consent.** Any action required or permitted to be taken by members may be taken without a meeting, if all members shall individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. A written consent may, to the extent permitted by applicable law, be solicited and provided by electronic mail or facsimile, so long as the response contains an actual, facsimile or electronic signature clearly indicating the member's assent to the proposition.

**5.9.2 Action by Written Ballot Without a Meeting.** Any action that may be taken at any meeting of members may be taken without a meeting by complying with Sections 5.9.2 a.-c. of these bylaws.

a. **Solicitation of Written Ballots.** The corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section 5.4.3 of these bylaws. All solicitations of votes by written ballot shall (1) indicate the number of responses needed to meet the quorum requirement, (2) state the percentage of approvals necessary to pass the measure or measures, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to the corporation. If the corporation has 100 or more members, any written ballot distributed to 10 or more members shall provide, subject to reasonable specified conditions, that if the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification.

In any election of directors, a written ballot that a member marks “withhold,” or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

b. Number of Votes and Approvals Required. Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked “withhold” or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of votes approving equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

c. Revocation. A written ballot may not be revoked.

d. Filing. All written ballots shall be filed with the secretary of the corporation and maintained in the corporate records for at least three years.

## **5.10 Record Date for Notice, Voting, Written Ballots, and Other Actions.**

5.10.1 Record Date Determined by Board. For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights with respect to any lawful action, the board may fix, in advance, a record date. The record date so fixed (A) for notice of a meeting shall not be more than ninety (90) or less than ten (10) days before the date of the meeting; (B) for voting at a meeting shall not be more than sixty (60) days before the date of the meeting; (C) for voting by written ballot shall not be more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and (D) for any other action shall not be more than sixty (60) days before that action.

### 5.10.2 Record Date Not Determined by Board.

a. Record Date for Notice or Voting. If not otherwise fixed by the board, the record date for determining members entitled (1) to receive notice of a meeting of members shall be the business day next preceding the day on which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held, and (2) to vote at the meeting shall be the day on which the meeting is held.

b. Record Date For Action by Written Ballot. If not otherwise fixed by the board, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

c. Record Date for Other Actions. If not otherwise fixed by the board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

5.10.3 Members of Record. For purposes of this Section 5.10, a person holding a membership at the close of the Wi-Fi Alliance's business on the record date shall be a member of record.

## 5.11 **Proxies.**

5.11.1 Rights of Members. Each person entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed 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.

5.11.2 Form of Solicited Proxies. If the corporation has 100 or more members, any form of proxy distributed to 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 and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of directors, any form of proxy that a member marks “withhold,” or marks otherwise 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.

5.11.3 Requirement That General Nature of Subject of Proxy be Stated. Any revocable proxy covering matters for which a vote of the members is required, including amendments to the articles of incorporation; amendments to the articles or bylaws changing proxy rights; removal of directors without cause; filling vacancies on the board of directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all of the corporate assets unless the transaction is in the usual and regular course of the corporation’s activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the corporation; contracts or transactions between the corporation and one or more directors or between the corporation and an entity in which the director has a material financial interest; or a plan of distribution of assets other than money to members when the corporation is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on.

5.11.4 Revocability. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until (A) revoked by the member executing it before the vote is cast under that proxy, (1) by a writing delivered to the corporation stating that the proxy is revoked, (2) by a subsequent proxy executed by that member and presented to the meeting, or (3) as to any meeting, by the member’s personal

attendance and voting at the meeting, or (B) written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under the proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three years from the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by Section 7613 of the California Corporations Code.

### **5.12 Appointment of Directors.**

Each sponsor member shall appoint a representative to serve as one of the directors on the board. Such representative shall serve as a director at the pleasure of the sponsor member or until removed by the board of directors or members as provided herein.

## **6. Directors.**

### **6.1 Powers.**

**6.1.1 General Corporate Powers.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the articles of incorporation and bylaws regarding actions that require the approval of the members, the corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the board's direction.

**6.1.2 Specific Powers.** Without prejudice to the general powers set forth in Section 6.1.1 of these bylaws, but subject to the same limitations, the directors shall have the power to:

a. Appoint and remove at the pleasure of the board all the corporation's officers, agents, and employees, prescribe powers and duties for them that are consistent with the law, with the articles of

incorporation, and with these bylaws; and fix their compensation and require from them security for faithful performance of their duties;

b. Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of members;

c. Adopt and use a corporate seal; prescribe the forms of membership certificates consistent with the provisions of Section 7313 of the California Corporations Code; and alter the form of the seal and certificates;

d. Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

**6.2 Number of Directors.** The board of directors shall consist of at least three (3) but not more than thirty (30) directors until changed by amendment to these bylaws. The qualifications for director are that the individual is nominated by and serves as a representative of a sponsor member in good standing of the corporation, and that the individual agrees to accept the duties or responsibilities imposed upon board members generally, as established by the board from time to time. Unless the sponsor member notifies the corporation that only one designated individual may act as director, the person acting as the sponsor member's representative in membership activities shall automatically be appointed as the director representing that sponsor member on the board. If the sponsor member has appointed both a principal representative and one or more alternate representatives, the principal representative shall be the director for all matters requiring written consent. If the principal representative of a

sponsor member is unavailable to attend a meeting, the alternate representative of a sponsor member may attend the board meeting in his or her place and act as the director appointed by the sponsor member.

### **6.3 Vacancies on Board.**

6.3.1 Events Causing Vacancy. A vacancy or vacancies on the board shall exist on the occurrence of the following: (A) the death or resignation of any director, (B) the declaration by resolution of the board of a vacancy in the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or, if the corporation holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under Section 7238 of the California Corporations Code; (C) the vote of two-thirds (2/3) of the general members and approved by two-thirds (2/3) of the sponsor members, as provided herein, the vote of two-thirds (2/3) of the sponsor members, or the vote of two-thirds (2/3) of the directors then in office to remove any director(s); (D) the increase of the authorized number of directors; (E) the resignation or removal of a sponsor member who nominated such director, in which case the director will promptly resign; or (F) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

6.3.2 Resignations. Except as provided below, any director may resign by giving written notice to the chairperson of the board, if any, or to the president or the secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

6.3.3 Filling Vacancies. If the sponsor member represented by the director whose resignation or removal caused the vacancy continues to be a sponsor in good standing, then the vacancy shall be filled by such sponsor member. If a director resigns because the sponsor member he or she represents loses or ceases to maintain its sponsor

membership in good standing, or if such sponsor member declines to appoint a board representative and there is no person acting as the sponsor member's representative in membership activities who has been automatically appointed as the director representing that sponsor member on the board, then the board will reduce the number of authorized directors accordingly, unless a replacement sponsor member is admitted.

#### 6.3.4 No Vacancy on Reduction of Number of Directors.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

**6.4 Directors' Meetings.** Directors' meetings will be governed by the following provisions; provided, that if a matter is submitted for approval at a board meeting, any director, whether or not participating in the board meeting, or any sponsor, whether or not represented by a director at the time, may require by oral or written notice to the chairperson before or after the matter is approved by the board, that such matter be subject to the approval of two-thirds (2/3) of the sponsor members in the manner specified in these bylaws. In any such case, a meeting of the sponsor members will be called and convened by the chairperson within thirty (30) days of the board meeting for this purpose.

6.4.1 Place of Meetings. Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

6.4.2 Meetings by Telephone. Any meeting may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such a meeting.

6.4.3 Other Regular Meetings. Other regular meetings of the board may be held without notice at such time and place as the board may fix from time to time.

#### 6.4.4 Special Meetings.

a. Authority to Call. Special meetings of the board for any purpose may be called at any time by the chairperson of the board, any vice chairperson, the secretary, the treasurer, or any two directors.

#### b. Notice.

(1) Manner of Giving Notice. Notice of the time and place of special meetings shall be given to each director by one of the following methods: personal delivery of written notice; first-class mail, postage prepaid; telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; confirmed facsimile; telegram, charges prepaid; or electronic mail. All such notices shall be given or sent to the director's address, telephone number, facsimile number, or e-mail address as shown on the records of the corporation.

(2) Time Requirements. Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile, electronic mail or telegraph shall be delivered, telephoned, transmitted or given to the telegraph company at least forty-eight (48) hours before the time set for the meeting.

(3) Notice Contents. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the corporation. It need not specify the purpose of the meeting.

6.4.5 Quorum. Two-thirds (2/3) of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Subject to any more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, every action taken or decision made by a two-thirds (2/3) majority of the directors then in office at a duly

held meeting at which a quorum is present shall be the act of the board(), including, without limitation, those provisions relating to (A) approval of contracts or transactions between the corporation and one or more directors or between the corporation and any entity in which a director has a material financial interest, (B) creation of and appointments to committees of the board, and (C) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least two-thirds (2/3) of the directors then in office.

6.4.6 Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

6.4.7 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

6.4.8 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

**6.5 Action Without a Meeting**. Any action that the board is required or permitted to take may be taken without a meeting if all members of the board consent in writing to that action. Such action by

written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board. A written consent may, to the extent permitted by applicable law, be solicited and provided by electronic mail or facsimile, so long as the response contains an actual, facsimile or electronic signature clearly indicating the board member's assent to the proposition.

**6.6 Compensation and Reimbursement.** Directors will receive no compensation for their services, but may receive such reimbursement of expenses, as may be determined by board resolution to be just and reasonable as to the corporation at the time the resolution is adopted.

## **6.7 Committees.**

### **6.7.1 Committees of the Board.**

a. Creation and Authority. The board, by resolution adopted by two-thirds (2/3) of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Appointments to committees of the board shall be by two-thirds (2/3) vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the board resolution, shall have all the authority of the board except that no committee, regardless of board resolution, may:

(1) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;

(2) Fill vacancies on the board or on any committee that has the authority of the board;

(3) Fix compensation of the directors for serving on the board or on any committee;

(4) Amend or repeal bylaws or adopt new bylaws;

(5) Amend or repeal any board resolution that, by its express terms, is not so amendable or repealable;

(6) Create any other committees of the board or appoint the members of committees of the board;

(7) Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected; or

(8) With respect to any assets held in charitable trust, approve any contract or transaction between the corporation and one or more of its directors or between the corporation and an entity in which one or more of its directors have a material financial interest, subject to the special approval provisions of Section 5233(d)(3) of the California Corporations Code.

b. Meetings and Actions of Committees of the Board. Meetings and actions of committees of the board shall be governed by, held, and taken in accordance with, the provisions of these bylaws concerning meetings and other board actions except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by board resolution or, if there is none, by resolution of the committee. Minutes of each meeting of any committee of the board shall be kept and shall be filed with the corporate records. The board may adopt rules for the government of any committee that are consistent with these bylaws or, in the absence of rules adopted by the board, the committee may adopt such rules.

## 6.7.2 Advisory Committees.

a. Creation and Authority of Advisory Committees. The board, may create by resolution one or more committees that do not exercise the power or authority of the board and are referred to in these bylaws as “advisory committees.” Initial appointments to each advisory committee may be included with the resolution authorizing the creation of the committee or may be established through any other method designated by the board, and all subsequent changes to committee composition shall occur by resolution of the committee unless the board expressly provides otherwise by resolution at the time the committee is created or by subsequent resolution. Each advisory committee shall have such duties and exercise such powers as the board may establish in the resolution creating the committee or may otherwise provide from time to time, provided that those duties and powers shall at all times be exercised under the ultimate direction of the board.

b. Meetings and Actions of the Advisory Committees and Other Procedural Matters.

(1) Participation in Advisory Committee Activities. Participation in each advisory committee shall be open to any member of the corporation. Each member participating in committee activities shall have one vote without regard to whether that member is a regular member or a sponsor member. Each committee may establish reasonable rules regarding a minimum participation commitment that is required in order for its members to maintain their advisory committee membership status in good standing and may remove from the committee members who fail to comply with those rules.

(2) Meetings of Advisory Committees; Actions Without Meetings. An advisory committee meeting may be called by the committee chair, any director that is serving on the committee as a representative of a sponsor member or that has been charged with

supervision of the committee, or five percent (5%) or more of the committee members. The procedures in Section 5.4 (“Notice Requirements for Members’ Meetings”), 5.6 (“Adjournment and Notice of Adjourned Meeting”), 5.7 (“Voting”), 5.8 (“Waiver of Notice or Consent”), 5.9 (“Action Without a Meeting”), 5.10.2 (“Record Date for Notice, Voting, Written Ballots and Other Actions” – “Record date not determined by board”), and 5.11 (“Proxies”) shall apply to advisory committee activities unless the board provides otherwise and provided that both the quorum requirements and the number of votes required to approve an action may be different from those required for approval of actions by the members so long as such requirements are duly approved by the committee under the rules in effect at the time of the approval, are not contrary to any board resolution, and fall within the permissible range for quorum and approval at a meeting of members under the Nonprofit Mutual Benefit Corporation Law.

(3) Validity of Actions by Advisory Committees; No Agents. Only actions approved in accordance with the rules applicable to the committee at the time the action is approved shall be an action of the committee. An advisory committee may not appoint any agents to act on its behalf other than to provide assistance in obtaining information for the committee and preparing matters for committee consideration and vote. Any activity that falls outside of the scope described in the foregoing sentence must be approved by the board.

(4) Records of Proceedings. Each committee shall keep minutes of its actions and proceedings and shall provide a copy of such minutes to the corporation within a reasonable time after the date of the meeting or action to which the minutes relate. Such minutes be maintained with the books and records of the corporation.

## **7. Officers.**

**7.1 Officers of the Corporation.** The officers of the corporation shall be a chairperson (president), vice chairperson, secretary,

treasurer, and managing director. The corporation also may have, at the board's discretion, one or more additional vice presidents, vice chairpersons, assistant secretaries, assistant treasurers, and such other officers as may be appointed in accordance with Section 7.3 of these bylaws. Any number of offices may be held by the same person.

**7.2 Eligibility of Officers.** Except as specified with respect to individual officers in Section 7.7 below, each officer of the corporation shall be elected from persons acting as a director of the corporation, persons who have been engaged by sponsor members of the organization, or other persons that the board of directors determines to be appropriate candidates. The officers of the corporation, except those appointed under Section 7.3 of these bylaws, shall be chosen from time to time by the board of directors by a two-thirds (2/3) vote of the directors then in office and shall serve at the pleasure of the board, subject to the rights, if any, of any officer under any contract of employment. Unless otherwise provided by board resolution and except as provided with respect to individual officers in Section 7.7 below, each officer shall serve a term of one-year and until his or her successor is elected and qualified.

**7.3 Other Officers.** The board may appoint and may authorize the chairperson of the board, the president, or other officer to appoint any other officers that the corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined by the board.

**7.4 Removal of Officers.** Without prejudice to any rights of an officer under any contract of employment, an officer may be removed with or without cause by the board and, also, if the officer was not chosen by the board, by any officer on whom the board may confer that power of removal.

**7.5 Resignation of Officers.** Any officer may resign at any time by giving written notice to the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in

the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

**7.6 Vacancies in Office.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

### **7.7 Responsibilities of Officers.**

**7.7.1 Chairperson of the Board.** The chairperson shall be the chief executive officer of the corporation and shall preside at board meetings, act as the general manager of the corporation, supervise, direct and control the corporation's activities, affairs and officers, and shall exercise and perform such other powers and duties as the board may assign from time to time.

**7.7.2 Vice Chairperson.** In the absence or disability of the chairperson, the vice chairpersons, if any, in order of their rank as fixed by the board or, if not ranked, a vice chairperson designated by the board, shall perform all duties of the chairperson. When so acting, a vice chairperson shall have all powers of and be subject to all restrictions on the chairperson. The vice chairpersons shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

### 7.7.3 Secretary.

a. Book of Minutes. The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of members' meetings. The minutes of meetings shall include the time and place of holding, whether the meeting was annual, regular, or special and, if special, how authorized, the notice given, the names of those present at board and committee meetings, and the number of members present or represented at members' meetings. The secretary shall keep or cause to be kept, at the principal office, a copy of the articles of incorporation and bylaws, as amended to date.

b. Membership Records. The secretary shall keep or cause to be kept, at the corporation's principal office or at a place determined by board resolution, a record of the corporation's members, showing each member's name, address, and class of membership.

c. Notices, Seal, and Other Duties. The secretary shall give, or cause to be given, notice of all meetings of members, of the board, and of committees of the board required by these bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

### 7.7.4 Treasurer.

a. Books of Account. The Treasurer is the chief financial officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The Treasurer shall send or cause to be given to the members and directors such financial statements and reports as are required by law, by these bylaws, or by the board to be

given. The books of account shall be open to inspection by any director at all reasonable times.

b. Deposit and Disbursement of Money and Valuables. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate, shall disburse the corporation's funds as the board may order, shall render to the president, chairperson of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

c. Bond. If required by the board, the Treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

#### 7.7.5 Managing Director.

a. Duties. The Managing Director is the chief administrative officer of the corporation. The Managing Director shall be responsible for managing, directing, supervising and controlling such aspects of the corporation's day-to-day operations as the Chairperson may delegate or the board may prescribe. These duties include the management and supervision of the corporation's Marketing Director and Technical Director; and the management and supervision of the corporation's staff and outside service providers. As part of these duties, the Managing Director shall manage and supervise the corporation's contracting process and shall have broad signature authority to execute any document on behalf of the corporation, subject only to such limitations as the board may impose by resolution or by policy.

b. Selection. The board may elect as the Managing Director the candidate whom the board determines is appropriately qualified to discharge the Managing Director's duties, regardless of whether that candidate has any pre-existing affiliation with the corporation or its members.

c. Term. Subject to the rights, if any, under any contract of employment, the Managing Director shall serve at the pleasure of the board until such time as he or she resigns, becomes unable to discharge the Managing Director's duties, or is removed by the board.

## **8. Indemnification**

8.1.1 **Right of Indemnity**. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

8.1.2 **Approval of Indemnity**. On written request to the board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the board promptly shall determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the board promptly shall call a

meeting of members. At that meeting, the members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) of Section 7237(c) has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

**8.1.3 Advancement of Expenses.** To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under Sections 8.1.1 and 8.1.2 of these bylaws in defending any proceeding covered by those sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

**9. Insurance.** The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's director's employee's or agent's status as such.

## **10. Records and Reports.**

**10.1 Maintenance of Corporate Records.** The corporation shall keep: (a) Adequate and correct books and records of account; (b) written minutes of the proceedings of its members, board, and committees of the board; and (c) a record of each member's name, address, and class of membership.

### **10.2 Members' Inspection Rights.**

**10.2.1 Membership Records.** Subject to Division 2, Part 3, Chapter 13, Article 3 (commencing at Section 8330) of the California

Corporations Code and unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

a. Inspect and copy the records of members' names, addresses, and voting rights during usual business hours on five (5) days' prior written demand on the corporation, which demand must state the purpose for which the inspection rights are requested; or

b. Obtain from the secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for the election of directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the members. The demand shall state the purpose for which the list is requested. The secretary shall make this list available to the member on or before the later of ten (10) days after (1) the demand is received or (2) the date specified in the demand as the date as of which the list is to be compiled.

The corporation may, within ten (10) business days after receiving a demand under this section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this section, it may deny the member access to the membership list.

Any inspection and copying under this section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the corporation.

10.2.2 Accounting Records and Minutes. On written demand on the corporation, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the board, and committees of the board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the corporation.

**10.3 Maintenance and Inspection of Articles and Bylaws.** The corporation shall keep at its principal office, or if its principal office is not in California, at its principal business office in this state, the original or a copy of the articles of incorporation and bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours. If the principal office of the corporation is outside California and the corporation has no principal business office in this state, the secretary shall, on the written request of any member, furnish to that member a copy of the articles of incorporation and bylaws as amended to date.

**10.4 Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

**10.5 Annual Report.** Any annual report shall be prepared within one hundred twenty (120) days after the end of the corporation's

fiscal year. That report shall contain the following information in appropriate detail:

a. A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the corporation that they were prepared without audit from the books and records of the corporation;

b. A statement of the place where the names and addresses of current members are located; and

c. Any information that is required by Section 10.6 of these bylaws.

The corporation shall notify each member annually of the member's right to receive a financial report under this section. Except as provided in the following paragraph, on written request by a member, the board shall promptly cause the most recent annual report to be sent to the requesting member.

This section shall not apply if the corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year.

**10.6 Annual Statement of Certain Transactions and Indemnifications.** As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall prepare annually and mail or deliver to its members and furnish to its directors a statement of any transaction or indemnification of the following kinds within one hundred twenty (120) days after the end of the corporation's fiscal year:

a. Unless approved by members under Section 7233(a) of the California Corporations Code, any transaction (1) to which the

corporation, its parent, or its subsidiary was a party, (2) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (3) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):

1. Any director or officer of the corporation, its parent, or its subsidiary;
2. Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction, and, when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

b. A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Section 8 of these bylaws, unless the loan, guaranty, indemnification, or advance has already been approved by the sponsor members under Section 5034 of the California Corporations Code, or the loan or guaranty is not subject to the provisions of subdivision (a) of Section 7235(a) of that Code.

**11. Construction and Definitions.** Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws.

**12. Amendments.**

## 12.1 Amendment by Board.

### 12.1.1 Membership Rights Limitation. (Section 7150.)

Subject to the rights of members under Sections 12.1.4 and 12.2 of these bylaws, the board may by a two-thirds (2/3) vote of the directors then in office adopt, amend, or repeal bylaws unless the action would:

- a. Materially and adversely affect the members' rights as to voting, dissolution, redemption, or transfer;
- b. Increase or decrease the number of members authorized in total or for any class;
- c. Effect an exchange, reclassification, or cancellation of all or part of the memberships; or
- d. Authorize a new class of membership.

### 12.1.2 Changes to Number of Directors. (Section 7151(b).)

Once members have been admitted to the corporation, the board may not, without the approval of two-thirds (2/3) of the members, specify or change any bylaw provision that would:

- a. Fix or change the authorized number of directors;
- b. Fix or change the minimum or maximum number of directors; or
- c. Change from a fixed number of directors to a variable number of directors or vice versa.

12.1.3 High Vote Requirement. If any provision of these bylaws requires the vote of a larger proportion of the board than otherwise required by law, such provision may not be altered, amended, or repealed except by that greater vote.

12.1.4 Member Approval Required. Without the approval of the members, the board may not adopt, amend, or repeal any bylaw that would:

a. Increase or extend the terms of directors (Section 7220);

b. Allow any director to hold office by designation or selection rather than by election by a member or members (Section 7224);

c. Increase the quorum for members' meetings (Section 7512);

d. Repeal, restrict, create, expand, or otherwise change proxy rights (Section 7613);

e. Authorize cumulative voting (Section 7615); or

f. Amend the purpose statement of the corporation set forth in Article 3 hereof, or the requirements for regular membership set forth in Article 4 hereof.

**12.2 Amendment by Members. (Section 7150(b).)** New bylaws may be adopted or these bylaws may be amended or repealed by approval of two-thirds (2/3) of the general membership and two-thirds (2/3) of the sponsor members as provided in these bylaws, provided, however, that any such adoption, amendment, or repeal also requires two-thirds (2/3) approval by the affected class of members, voting separately as a class, if that action would:

a. Materially and adversely affect the rights, privileges, preferences, restrictions, or conditions of that class as to voting, dissolution, redemption, or transfer in a manner different than the action affects another class;

b. Materially and adversely affect that class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class;

c. Increase or decrease the number of memberships authorized for the class;

d. Increase the number of memberships authorized for another class;

e. Effect an exchange, reclassification, or cancellation of all or part of the memberships of that class;

f. Authorize a new class of memberships; or

g. Impose a special assessment or fee on the class, other than regular dues.

No amendment may extend a director's term beyond that for which the director was elected.

Revised: February \_\_\_\_, 2007