

**BYLAWS  
OF  
ALLIED CLIMBERS OF SAN DIEGO, INC.  
Adopted 2007**

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BYLAWS  
OF  
ALLIED CLIMBERS OF SAN DIEGO, INC.  
a California nonprofit public benefit Corporation

ARTICLE I

NAME AND OFFICES

Section 1.1 Name. The name of this Corporation is Allied Climbers of San Diego, Inc. (hereinafter “Corporation”)

Section 1.2 Principal Office. The principal office for the transaction of the activities and affairs of this Corporation is located at 4878 Monroe Ave, San Diego, CA 92115, in San Diego County, California. The Board of Directors (hereinafter “Board”) may change the location of the principal office and any such change must be noted by the Secretary on these Bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

Section 1.3 Other Offices. The Board may at any time establish branch or subordinate offices at any place where this Corporation is authorized to conduct its activities.

ARTICLE II

PURPOSES AND POWERS

Section 2.1 Purposes. The purpose of this Corporation is to promote charitable, educational, and public purposes such as:

- i) Promoting and maintaining public access to outdoor recreational activities;
- ii) Promoting public interest in outdoor climbing, hiking, nature exploration and other outdoor recreational activities;
- iii) Educating and informing the public about outdoor recreational activity safety, responsibility and health benefits; and
- iv) Increasing public involvement in outdoor recreational activities.

Section 2.2 General Powers. The Corporation shall have and exercise all rights and powers conferred on nonprofit public benefit Corporations under the laws of the State of California.

Section 2.3 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. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

Section 2.4 Dedication of Assets. This Corporation’s assets are irrevocably dedicated to charitable, educational, and public benefit purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, or

Corporation that is organized and operated exclusively for charitable, educational, or public benefit purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

## ARTICLE III

### MEMBERS AND CLASSES

Section 3.1 Classes of Members. The Corporation shall have three classes of members designated as: i) Class A Founding Members; ii) Class B Members; and iii) Class C Members. No member shall hold more than one membership in the Corporation.

Section 3.2 Rights of Class A Founding Members. Class A Founding Members are “statutory members” which shall have the right to vote, as set forth in these bylaws, on the election of directors, removal of directors without cause, filling director vacancies, on the disposition of all or substantially all of the Corporation’s assets, on any merger and its principal terms and any amendment of those terms, on any amendment to these bylaws, and on any election to dissolve the Corporation. In addition, Class A Founding Members shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law. Each Class A Founding Member shall be entitled to one vote.

Section 3.2.1 Qualification and Admission of Class A Founding Members. Class A Founding Members are those original founders of the Corporation. No other persons shall be admitted to the Corporation as Class A Founding Members without the affirmative vote of seventy-five percent (75%) of the Founding Members.

Section 3.3 Rights of Class B Members. Class B Members shall be non-statutory members and shall be a non-voting class except Class B Members shall solely have the right to vote, as set forth in these bylaws, on the election of officers only. Class B Members shall not have the rights afforded members under the California Nonprofit Public Benefit Corporation Law. Each Class B Member shall be entitled to one vote.

Section 3.3.1 Qualification and Admission of Class B Members. Persons may be admitted as Class B Members upon satisfying certain criteria and paying such fees as the Board may require and set forth from time to time.

Section 3.4 Rights of Class C Members. Class C Members shall be non-statutory members and the class shall be a non-voting class, and all members shall be automatically considered Class C Members unless specifically admitted as a Class A Founding Member or Class B Member. Class C Members shall not have the rights afforded members under the California Nonprofit Public Benefit Corporation Law.

Section 3.4.1 Qualification and Admission of Class C Members. Persons may be admitted as Class C Members upon satisfying certain criteria and paying such fees as the Board may require and set forth from time to time.

Section 3.5 Reference to Members. The Corporation may refer to Class B and C Members or other persons or entities associated with it as “members,” even though those persons or entities are not voting members as set forth in Section 3.2 of these bylaws, but no such reference shall constitute anyone as a member within the meaning of Corporations Code section 5056 unless that person or entity shall have qualified for a voting membership under Section 3.2.1 of these bylaws. References in these bylaws to “Class A Founding Members” shall mean members as defined in Corporations Code section 5056; i.e., the members of the class set forth in Section 3.1 of these bylaws. By amendment of its articles of incorporation or of these bylaws, the Corporation may grant some or all of the rights of a member of any class to any person or entity that does not have the right to vote on the matters specified in Section 3.2 of these bylaws, but no such person or entity shall be a member within the meaning of Corporations Code section 5056. Reference to “member(s)” in these bylaws, where context requires, shall include Class A Founding Members and Class B members entitled to vote.

Section 3.6 Termination of Membership. Any membership shall terminate upon any of the following events:

- (i) the resignation of a member;
- (ii) expiration of any membership period, unless the membership is renewed on the terms fixed by the Board;
- (iii) subject to the Board's discretion, failure to pay dues, fees, or assessments as set by the Board within 60 days after they are due and payable;
- (iv) any event that renders a member ineligible for membership, or failure to satisfy membership qualifications, or
- (v) 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 Corporation's purposes and interests.
- (vi) Class A Founding Members may only be terminated by resignation, or by written determination by three-fifths of all Class A Founding Members 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 Corporation's purposes and interests.

Section 3.7 Suspension of Membership. A member, other than a Class A Founding Member, may be suspended 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 Corporation's purposes and interests.

Section 3.8 Procedure for Termination or Suspension of Membership. If grounds appear to exist for suspending or terminating a member under Sections 3.3 or 3.4 of these bylaws or otherwise, the following procedure shall be followed:

- (i) The Board shall give the member at least 15 days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice.
- (ii) The member shall be given an opportunity to be heard, either orally or in writing, at least five days before the effective date of the proposed suspension or termination. 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 suspension or termination should occur.
- (iii) The Board, committee, or person shall decide whether the member should be suspended, expelled, or sanctioned in any way. The decision of the Board, committee, or person shall be final.
- (iv) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

Section 3.9 Effect of Termination. Any and all rights of a member in the Corporation and in its property cease on the termination of membership. However, termination does not relieve the member from any obligation for charges incurred, services or benefits actually rendered, dues, assessments, or fees, or arising from contract or otherwise. The Corporation retains the right to enforce any obligation or obtain damages for its breach.

Section 3.10 Transfer of Memberships. No membership or right arising from membership shall be transferred in any manner. All membership rights shall cease on the member's death, dissolution, resignation, or termination.

## ARTICLE IV

### DUES AND FEES

Section 4.1 Dues and Fees. Dues are required annually of all members as set by the Board. This provision shall in no way be deemed to modify any contractual obligation of a member to make payments to the Corporation. The Board may, in its discretion, set or require dues, fees, or assessments for each class. Members who have paid such dues, fees, or assessments in accordance with these bylaws and who are not suspended shall be members in good standing.

## ARTICLE V

### MEETINGS

Section 5.1 Annual Meeting. An annual meeting of Class A Founding Members and Class B Members shall be held as set by the Board. At the meeting, if necessary, Board members and officers shall be elected as set forth in these bylaws and other business may be transacted.

Section 5.2 Place of Meetings. Meetings of the Class A Founding Members and Class B Members shall be held at any place within or outside California designated by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Corporation's principal office. The Board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

Section 5.3 Authority for Electronic Meetings. If authorized by the Board in its sole discretion, and subject to the requirements of consent in Corporations Code section 20(b) and guidelines and procedures the Board may adopt, members not physically present in person (or, if proxies are allowed, by proxy) at a meeting of members may, by electronic transmission by and to the Corporation or by electronic video screen communication, participate in a meeting of members, be deemed present in person (or, if proxies are allowed, by proxy), and vote at a meeting of members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the Corporation or by electronic video screen communication, subject to the requirements of these bylaws.

Section 5.3.1 Requirements for Electronic Meetings. A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the Corporation or by electronic video screen communication (1) if the Corporation implements reasonable measures to provide members in person (or, if proxies are allowed, by proxy) a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any member votes or takes other action at the meeting by means of electronic transmission to the Corporation or electronic video screen communication, a record of that vote or action is maintained by the Corporation. Any request by a Corporation to a member pursuant to Corporations Code section 20(b) for consent to conduct a meeting of members by electronic transmission by and to the Corporation shall include a notice that absent consent of the member pursuant to Corporations Code section 20(b), the meeting shall be held at a physical location in accordance with Section 5.2 of these bylaws.

Section 5.4 Authority to Call Special Meetings. The Board or the chairman of the Board, if any, or the president, or 5 percent or more of the Class A Founding Members may call a special meeting of the members for any lawful purpose at any time.

Section 5.4.1 Calling Special Meetings. A special meeting called by any person entitled to call a meeting shall be called by written or electronic request, specifying the general nature of the business proposed to be transacted, and submitted to the chairman 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 under Section 3.2 or 3.3 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 35 but no more than 90 days after receipt of the request. If the notice is not given within 20 days after the request is received, 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.

Section 5.4.2 Proper Business of Special Meeting. No business other than the business whose general nature was set forth in the notice of the meeting, may be transacted at a special meeting.

## ARTICLE VI

### NOTICE

Section 6.1 General Notice Requirements. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given pursuant to these bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting, and the means of electronic transmission by and to the Corporation or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given. Except as provided in Section 6.2 of these bylaws, any proper matter may be presented at the meeting.

Section 6.2 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:

- (i) removing a Director without cause;
- (ii) filling vacancies on the Board;
- (iii) amending the articles of Incorporation; or
- (iv) electing to wind up and dissolve the Corporation.

Section 6.3 Manner of Giving Notice. Notice of any meeting of members shall be in writing and delivered by any reasonable method of electronic communication and shall be given at least 10 but no more than 90 days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member as it appears 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:

- (i) notice is sent to that member by first-class mail or facsimile or other written communication to the Corporation's principal office; or
- (ii) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

Section 6.3.1 Notice Given by Electronic Transmission.

(a) Notice given by electronic transmission by the Corporation shall be valid only if:

(i) delivered by facsimile telecommunication or other electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the Corporation; or by posting on an electronic message Board or network that the Corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmissions shall be validly delivered on the later of the posting or delivery of the separate notice of it; or by other means of electronic communication;

(ii) to a recipient who has provided an unrevoked consent to the use of those means of

transmission for communications; and

(iii) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

(b) Notwithstanding the foregoing, an electronic transmission by this Corporation to a member is not authorized unless, in addition to satisfying the requirements of this section, the transmission satisfies the requirements applicable to consumer consent to electronic record as set forth in the Electronic Signatures in Global and National Commerce Act (15 United States Code Section 7001(c)(1)). Notice shall not be given by electronic transmission by the Corporation after either of the following:

(i) the Corporation is unable to deliver two separate notices to the member by that means; or

(ii) the inability so to deliver the notices to the member becomes known to the Secretary, any assistant secretary, or any other person responsible for the giving of the notice.

## ARTICLE VII

### QUORUM

Section 7.1 Quorum. 51% percent of those entitled to vote on a matter shall constitute a quorum for the transaction of business at any meeting of the members. Except as otherwise required by law, the articles, 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, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

## ARTICLE VIII

### VOTING

Section 8.1 Eligibility to Vote. Subject to the California Nonprofit Public Benefit Corporation Law, Class A Founding Members in good standing on the record date as determined under Section 9.1 of these bylaws shall be entitled to vote at any meeting of the members, if necessary. Class B Members in good standing on the record date as determined under Section 9.1 of these bylaws shall be entitled to vote at any meeting of the members where the Corporations officers are elected.

Section 8.2 Manner of Voting. Voting may be by voice or by ballot, except that any election of Directors must be by ballot if demanded before the voting begins by any member at the meeting..

Section 8.3 Number of Votes. Each member entitled to vote may cast one vote on each matter submitted to a vote of the members.

Section 8.4 Approval by Majority Vote. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Corporation Law, the articles of incorporation, or these bylaws.

Section 8.5 Waiver of Notice or Consent. The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if:

(i) a quorum is present either in person or by proxy; and

(ii) either before or after the meeting, each member entitled to vote, 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 of the



meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in Section 6.2 of these bylaws, 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 of the meeting.

Section 8.5.1 Member's Attendance as Waiver of Notice. A member's attendance at a meeting shall also 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.

Section 8.6 Action by Unanimous Written Consent. Any action required or permitted to be taken by the members may be taken without a meeting, if all members entitled to vote on a matter consent in writing to the action. The unanimous written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the members.

## ARTICLE IX

### RECORD DATE

Section 9.1 Record Date for Notice, Voting, Written Ballots, and Other Board Actions. For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board of directors may, in advance, fix a record date. The record date so fixed for:

- (i) sending notice of a meeting shall be no more than 90 nor less than 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.;
- (ii) voting at a meeting shall be no more than 60 days before the date of the 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;
- (iii) voting by written ballot shall be no more than 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; and
- (iv) taking any other action shall be no more than 60 days before that 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 60th day prior to the date of such other action, whichever is later, are entitled to exercise such rights.

## ARTICLE X

### PROXIES

Section 10.1 Members' Proxy Rights. Each member 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 by the member or the member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission, or otherwise.

Section 10.2 Solicited Proxies. If the Corporation has 100 or more members, any form of proxy distributed

to 10 or more members shall give the member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In an election of directors, any form of proxy that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

Section 10.3 Subject Matter or Proxy to be Stated. Any proxy covering matters for which a vote of the members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, in an election of directors, the proxy lists the persons who have been nominated at the time the notice of the vote is given to the members. Such matters include amendments of the articles of incorporation or bylaws changing proxy rights; certain other amendments of the articles of incorporation; removal of directors without cause; filling vacancies on the Board; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all 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; or the election to dissolve the Corporation.

Section 10.4 Revocability of Proxies. No proxy shall be valid after the expiration of 11 months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be three years after the date of execution. A validly executed proxy shall continue in full force and effect until either:

- (i) it is revoked by the member executing it, before the vote is cast under that proxy by a writing delivered to the Corporation stating that the proxy is revoked, or by a subsequent proxy executed by that member and presented to the meeting, or as to any meeting, by that member's personal attendance and voting at the meeting; or
- (ii) written notice of the death or incapacity of the maker of the proxy is received by the Corporation before the vote under that proxy is counted. A proxy may not be irrevocable

## ARTICLE XI

### ADJOURNMENT

Section 11.1 Adjournment and Notice of Adjourned Meetings. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than 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 (or the means of electronic transmission by and to the Corporation or electronic video screen communication, if any, by which members may participate) 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.

## ARTICLE XII

### BOARD OF DIRECTORS

Section 12.1 General Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws regarding actions that require approval of the members and except as otherwise stated herein, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

Section 12.2 Specific Powers. Without prejudice to the general powers set forth in Section 12.1 of these bylaws, but subject to the same limitations, the Board shall have the power to do the following:

- (i) appoint and remove, at the pleasure of the Board, the initial corporate officers, and all agents, and

employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service, and to nominate persons to serve as officers of the corporation for two (2) year terms upon expiration of the initial officers' one (1) year term;

(ii) 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 in or outside California; and designate a place in or outside California for holding any meeting of members;

(iii) borrow money and incur indebtedness on the Corporation's behalf 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; and

(iv) Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

Section 12.3 Number of Directors. The authorized number of directors shall be a minimum of 7 but no greater than 11. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board.

Section 12.5 Restriction on Interested Persons as Directors. No more than 49 percent of the persons serving on the Board may be "interested persons." An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the Corporation.

Section 12.7 Nominations and Elections of Directors. Each director shall be elected by the affirmative vote of seventy-five (75%) percent of the Class A Founding Members entitled to vote, to serve for a two (2) year term. The chairman of the Board or, if none, the president may appoint a committee to nominate qualified candidates for election to the Board. The nominating committee shall make its report to the Board as the Board may determine, and the secretary shall forward to each Class A Founding Member, with the notice of meeting required by these bylaws, a list of all candidates nominated by committee.

Section 12.8 Floor Nominations. When a meeting is held for the election of Directors, any member present at the meeting in person or by proxy may place names in nomination.

Section 12.9 Nominee's Right to Solicit Votes. The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

Section 12.10 Use of Corporate Funds to Support a Nominee. If more people have been nominated for director than can be elected, no corporate funds may be expended to support a nominee without the Board's authorization.

Section 12.11 Events Causing Vacancies on Board. A vacancy or vacancies on the Board of directors shall occur in the event of (a) the death, removal, 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 convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; (c) a vote of seventy-five percent (75%) of the Class A Founding Members to remove the director; (d) the increase of the authorized number of directors; or (e) 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 such meeting.

Section 12.12 Resignation of Directors. Except as provided in this paragraph, any director may resign by giving written notice to the chairman 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. If a director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the California Attorney General, no director may resign if the Corporation would be left without a duly elected director or directors.

Section 12.13 Removal of Directors. A director may be removed with or without cause upon a vote of seventy-five percent (75%) of the Class A Founding Members entitled to vote at a special meeting called for that purpose, or at a regular meeting. Any reduction of the authorized number of directors shall not result in any director's being removed before his or her term of office expires. Any vacancy on the Board created by the removal of a director hereunder shall be filled by Class A Founding Members pursuant to Section 12.7 of these bylaws.

Section 12.14 Vacancies on Board. Except for a vacancy created by the removal of a director by the Class A Founding Members, vacancies on the Board may 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 meeting held according to notice or waivers of notice complying with Corporations Code section 5211, or (3) a sole remaining director. The Class A Founding Members may fill any Board vacancy not otherwise filled by the directors.

Section 12.15 Meetings of Board of Directors. 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. Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply:

- (i) each member participating in the meeting can communicate concurrently with all other members; and
- (ii) each member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

Section 12.15.1 Annual and Other Meetings. Immediately after each annual meeting of members, the Board shall hold a general meeting for purposes of organization, and transaction of other business. Notice of this meeting is not required. Other general meetings of the Board may be held without notice at such time and place as the Board may fix from time to time.

Section 12.15.2 Special Meetings. Special meetings of the Board for any purpose may be called at any time by the chairman of the Board, if any, the president or any vice president, the secretary, or any two directors. Notice of the time and place of special meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, 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; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the Corporation's records. Notices sent by first-class mail shall be deposited in the United States mails at least seven (7) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or sent, respectively, at least forty-eight (48) hours before the time set for the meeting. The notice shall state the time of the meeting and the place, if the place is other than the Corporation's principal office. The notice need not specify the purpose of the meeting.

Section 12.16 Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between Corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of directors. A meeting at

which a quorum is initially present may continue to transact business, despite the withdrawal of some directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 12.17 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 who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

Section 12.18 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. 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.

Section 12.19 Action Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all Board members consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the Corporation is a party and who is an “interested director” as defined in Corporations Code section 5233 shall not be required for approval of that transaction. 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.

Section 12.20 Compensation and Reimbursement. Directors may receive such compensation, if any, for their services as directors or officers, and such reimbursement of expenses, as the Board may establish by resolution to be just and reasonable as to the Corporation at the time that the resolution is adopted.

Section 12.21 Special Committees of Board of Directors. The Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority 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 shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may do the following:

- (i) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law or these bylaws, also requires approval of the members or approval of a majority of all members;
- (ii) Fill vacancies on the Board or any committee of the Board;
- (iii) Fix compensation of the directors for serving on the Board or on any committee;
- (iv) Amend or repeal bylaws or adopt new bylaws;
- (v) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (vi) Create any other committees of the Board or appoint the members of committees of the Board;
- (vii) Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or
- (viii) Approve any contract or transaction to which the Corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Corporations Code section 5233(d)(3).

Section 12.22 Executive Committee. The Class A Founding Members have the exclusive right to appoint three directors of the Corporation to serve as executive committee of the Board. The corporation may only have one executive committee. The executive committee shall consist of a Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Information Officer (CIO). The executive committee shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation between meetings of the Board; provided, however, that the executive committee shall not have the authority of the Board in reference to those matters enumerated in Section 12.2. All actions of the executive committee shall be reported to and ratified by the full Board at the next duly scheduled Board meeting.

Section 12.23 Meetings and Actions of Committees. Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings and other Board actions, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board has not adopted rules, the committee may do so.

## ARTICLE XIII

### ELECTED OFFICERS

Section 13.1 Offices Held. The officers of this Corporation shall be a president, a vice president, a secretary, and a treasurer. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as either the president or the chairman of the Board.

Section 13.2 Election of Officers. The Board shall appoint the initial officers of the Corporation upon approval by seventy-five percent (75%) of the Board. The initial officers of the Corporation shall serve a one (1) year term. Upon expiration of the initial officers' one (1) year term, the Board shall nominate persons to serve as officers for a two (2) year term, and the Class B Members shall elect the officers of the Corporation from those persons nominated by the Board. A person may be nominated for election as an officer upon approval by seventy-five percent (75%) of the Board. Once the Board has approved the nominees, the Board shall present the names of the nominees to the Class B Members and the Class B Members shall vote to elect the Corporation's officers. The nominees receiving the most Class B Member votes for that office shall be deemed elected and shall serve as officers of the Corporation for a two (2) year term or until successor officers are elected.

Section 13.3 Removal of Officers. Without prejudice to the rights of any officer under an employment contract, the Board may remove an officer with or without cause by two-thirds vote of those Board members then in office.

Section 13.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the officer is a party.

Section 13.5 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 normal elections to that office, provided, however, that vacancies need not be filled on an annual basis.

#### Section 13.6 Responsibilities of Officers.

Section 13.6.1 President. Subject to such supervisory powers of the Board and/or the Executive Committee, the president shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers. The president shall preside at all members' meetings and, in the absence of the chairman of the Board, or if none, at all Board meetings. The president shall have such other powers and duties as the Board, Executive Committee or these bylaws may require.

Section 13.6.2 Vice Presidents. If the president is absent or disabled, the vice presidents, if any, in

order of their rank as fixed by the Board, or, if not ranked, a vice president designated by the Board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the Board, Executive Committee or the bylaws may require.

Section 13.6.3 Secretary. 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 that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons 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 California office, a copy of the articles of incorporation and bylaws, as amended to date. The secretary shall keep or cause to be kept, at the Corporation's principal office or at a place determined by resolution of the Board, a record of the Corporation's members, showing each member's name, address, and class of membership. The secretary shall give, or cause to be given, notice of all meetings of members, of the Board, and of committees of the Board that these bylaws require to be given. The secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the bylaws may require

Section 13.6.4 Treasurer. The treasurer 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 to be given by law, by these bylaws, or by the Executive Committee or the Board. The books of account shall be open to inspection by any director at all reasonable times. The treasurer shall (i) 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 Executive Committee or Board may designate; (ii) disburse the Corporation's funds as the Executive Committee or Board may order; (iii) render to the president, chairman of the Board, if any, and the Board, when requested, an account of all transactions as treasurer and of the financial condition of the Corporation; and (iv) have such other powers and perform such other duties as the Executive Committee or Board or the bylaws may require. 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 of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the treasurer on his or her death, resignation, retirement, or removal from office.

Section 13.7 Contracts with Directors. No director of this Corporation nor any other Corporation, firm, association, or other entity in which one or more of this Corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this Corporation, unless (a) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the Corporation for its own benefit enters into the transaction, which is fair and reasonable to the Corporation at the time the transaction is entered into. This Section does not apply to a transaction that is part of an educational or charitable program of this Corporation if it (a) is approved or authorized by the Corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

Section 13.8 Loans to Directors and Officers. This Corporation shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General; provided, however, that the Corporation may advance money to a director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be

entitled to reimbursement for such expenses by the Corporation.

## ARTICLE XIV

### INDEMNIFICATION

Section 14.1 Indemnification. To the fullest extent permitted by law, this Corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, 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 that section of the Corporations Code.

On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly decide under Corporations Code section 5238(e) whether the applicable standard of conduct set forth in Corporations Code section 5238(b) or section 5238(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 shall promptly call a meeting of members. At that meeting, the members shall determine under Corporations Code section 5238(e) whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

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 these bylaws in defending any proceeding covered hereunder 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 found that the person is entitled to be indemnified by the Corporation for those expenses.

## ARTICLE XV

### INSURANCE

Section 15.1 Insurance. This Corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer’s, director’s, employee’s, or agent’s status as such.

## ARTICLE XVI

### CORPORATE RECORDS

Section 16.1 Maintenance of Corporate Records. The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two. The Corporation shall keep the following:

- (i) adequate and correct books and records of account;
- (ii) minutes of the proceedings of its members, Board, and committees of the Board; and
- (iii) a record of each member’s name, address, and class of membership.

Section 16.2 Member’s Right to Inspect Records. 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:



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

(ii) 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 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 member. 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 days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled.

The Corporation may, 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 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. This right of inspection extends to the records of any subsidiary of the Corporation.

Section 16.3 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 of directors, 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. This right of inspection extends to the records of any subsidiary of the Corporation.

Section 16.4 Maintenance and Inspection of Articles and Bylaws. This Corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the members at all reasonable times during office hours. If the Corporation has no business office in California, 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 the current date.

Section 16.5 Directors' Right to Inspect. 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 subsidiary. 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.

## ARTICLE XVII

### REPORTS

Section 17.1 Required Reports. The Board shall cause an annual report to be sent to the Class A Founding Members and directors within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- (i) the assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (ii) the Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (iii) the principal changes in assets and liabilities, including trust funds;
- (iv) the Corporation's expenses or disbursements for both general and restricted purposes;
- (v) any information required by Section 17.2 of these bylaws; and
- (vi) an independent accountants' report or, if none, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual

report be furnished annually to the Class A Founding Members and directors, and to any member who requests it in writing. If the Board approves, the Corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

Section 17.2 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, within 120 days after the end of the Corporation's fiscal year, annually prepare and mail, deliver, or send by electronic transmission to each member and furnish to each director a statement of any transaction or indemnification of the following:

- (i) any transaction in which the Corporation, or its parent or subsidiary, was a party, in which an "interested person" had a direct or indirect material financial interest, and which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either any director or officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest) or 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, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.
- (ii) any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the Corporation under these bylaws, unless that indemnification has already been approved by the members under Corporations Code section 5238(e)(2).

Section 17.3 Private Foundation Restrictions. This Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Internal Revenue Code section 4942, shall not engage in any act of self-dealing as defined in Internal Revenue Code section 4941(d), shall not retain any excess business holdings as defined in Internal Revenue Code section 4943(c), shall not make any investments in a manner as to subject it to tax under Internal Revenue Code section 4944, and shall not make any taxable expenditures as defined in Internal Revenue Code section 4945(d).

## ARTICLE XVIII

### AMENDMENTS

Section 18.1 Amendment by Board Subject to Limitation by Members. Subject to the Class A Founding Members' rights under these bylaws and the limitations set forth below, the Board may adopt, amend, or repeal bylaws unless doing so would materially and adversely affect the Class A Founding Members rights as to voting or transfer, unless the Class A Founding Members approve such amendment, or repeal of bylaws by two-thirds of those Class A Founding Members entitled to vote. Any amendment to these bylaws shall require an affirmative vote of three-fifths of those Class A Founding Members entitled to vote. The Board may not extend a director's term beyond that for which the director was elected.

Section 18.2 Changes to Number of Directors. Once members have been admitted to the Corporation, the Board may not, without the members' approval, specify or change any bylaw that would:

- (i) fix or change the authorized number of directors;
- (ii) fix or change the minimum or maximum number of directors; or
- (iii) change from a fixed number of directors to a variable number of directors or vice

versa.

Section 18.3 Greater Vote Requirement. If any provision of these bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

Section 18.4 Members' Approval Required. Without the approval of two-thirds of Class A Founding Members, the Board may not adopt, amend, or repeal any bylaw that would:

- (i) modify the terms of directors;
- (ii) allow any director to hold office other than established in these bylaws.
- (iii) increase the quorum for Board of Directors meetings;
- (iv) repeal, restrict, create, expand, or otherwise change proxy rights; or
- (v) authorize cumulative voting.

END