

**BYLAWS  
OF  
10 GIGABIT ETHERNET ALLIANCE**

A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

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**ARTICLE 1  
PURPOSES AND OBJECTS**

**1.1 General Purpose**

The name of this corporation is 10 GIGABIT ETHERNET ALLIANCE ("the Corporation"). The Corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law of the State of California. The business of the Corporation shall not be conducted for the financial profit of its members, but shall be conducted for the mutual benefit of its members. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

**1.2 Specific Purposes**

(a) The specific purpose of the Corporation is to promote standards based 10 Gigabit Ethernet technology and to encourage the utilization and implementation of 10 Gigabit Ethernet

as a key networking technology for connectivity of various computing, data and telecommunications devices.

(b) The mission of the Corporation will be to nurture and help develop a broad market by promoting the proliferation of 10 Gigabit Ethernet into the networking market broadly defined including LANs, MANs, and WANs. Also, the Corporation is committed to promoting multi-vendor interoperability.

(c) The charter of the Corporation will be comprised of the following major goals:

- (1) Support the 10 Gigabit Ethernet standards effort conducted in the IEEE 802.3 working committee;
- (2) Contribute resources to facilitate convergence and consensus on technical specifications;
- (3) Promote industry awareness, acceptance, and advancement of the 10 Gigabit Ethernet standard;
- (4) Accelerate the adoption and usage of 10 Gigabit Ethernet products and services;
- (5) Provide resources to establish and demonstrate multi-vendor interoperability and generally encourage and promote interoperability and interoperability events; and
- (6) Foster communications between suppliers and users of 10 Gigabit Ethernet technology and products.

(d) The activities of the Corporation will include, but not be limited to:

- (1) The active promotion of 10 Gigabit Ethernet in the marketplace;
- (2) Supporting tradeshows, industry conferences, market development, and interoperability activities;
- (3) Providing the public, press, and analysts with a single, comprehensive source of information regarding 10 Gigabit Ethernet technology, infrastructure, and the 10GbE market in general; and
- (4) Performing other activities as permitted under these Bylaws in furtherance of the goals of the Corporation.

(e) The members of the Corporation (“Members”) are individually and collectively committed to open competition in the development of products, technology, and services, and the

Members are not restricted in any way from designing, developing, marketing, and/or procuring hardware, software, systems, technology, or services.

### **1.3 Limitations on Corporate Activities**

(a) **General Limitations.** Notwithstanding anything herein to the contrary, nothing contained in these Bylaws shall authorize the Corporation directly or indirectly to engage in any act or thing incidental to or connected with the purposes set forth in Article 1 hereof or in advancement thereof which would cause the Corporation to be disqualified as a business league within the meaning of Section 501(c)(6) of the United States Internal Revenue Code. No part of the Corporation's net earnings or assets will inure to the benefit of any Member, Director or private person.

(b) **Compliance With Anti-Trust Laws.** The Corporation and its Directors and Members acknowledge that the purposes and objects of the Corporation prohibit discussion about sales levels, methods, or channels of distribution, markets, customers, prices or profitability or any other topic which would restrict use of hardware, software, technology, or services. The Corporation and its Directors and Members further direct that the purposes and objects of the Corporation prohibit discussions or activities on any topic that could have an adverse impact on national or international competition or trade or could violate any national or international law regarding competition or trade. The Corporation and its Directors, Members and participants shall strictly comply with state, federal and foreign antitrust laws.

## **ARTICLE 2 OFFICES OF THE CORPORATION**

The principal office of the Corporation shall be located at such location within the State of California as the Board of Directors ("Board") so elects. The Board of Directors may change the principal office from one location to another within the State of California. The Board of Directors may establish other offices within or outside the State of California as appropriate for fulfilling the purposes of the Corporation.

## **ARTICLE 3 MEMBERSHIP**

### **3.1 Membership Candidates**

Any individual or legal entity, private or governmental, interested in promoting the purposes of the Corporation may become a member of the Corporation in accordance with these Bylaws, provided that the Board may from time to time establish membership requirements that are designed to further the purposes of the Corporation. The Corporation does not restrict membership on the basis of race, color, disability, sex, religion, or national origin.

### **3.2 Classes of Membership**

(a) The Corporation shall have three classes of membership: Principal Member, Participating Member, and Auditing Member. Any person or entity dedicated to the purposes of the Corporation and meeting any requirements established pursuant to Section 3.1 shall be eligible for membership upon the Corporation's approval of its membership application and the payment of such dues and fees as apply at the time.

(b) All classes of membership are entitled to:

- (1) Access to all Working Committee working documents, meeting minutes, written contributions and Technical Committee Contributions;
- (2) Submit Technical Committee Contributions; and
- (3) Subscribe to all general e-mail exploder lists published by the Corporation.

### **3.3 Principal Members**

(a) The Corporation's Principal Members are committed to active participation in the activities conducted by the Corporation to achieve its goals.

(b) Principal Members shall have the right to vote on all matters requiring a vote of the membership, as set forth in these Bylaws. In addition, Principal Members shall have all rights afforded voting members under the California Nonprofit Mutual Benefit Corporation Law.

(c) Representatives of Principal Members have the right to run for a Board of Directors seat and to serve as an officer of the Corporation and a working committee chair or vice-chair. In addition, each Principal Member is entitled to:

- (1) Representation at annual, general and special meetings of the Members and in working committees (to include task groups);
- (2) One (1) vote at all membership meetings (annual, general and special), in all elections (Board of Directors, officers, working committee chair/vice-chair) and in all circumstances where a Member may cast a ballot;
- (3) Proactively direct the work undertaken by the Corporation;
- (4) Propose new task groups to address specific issues;
- (5) Receive first priority to participate in marketing activities;
- (6) Receive first priority to participate in interoperability events hosted by the Corporation;

- (7) Use the Corporation's Member logo and Member plaque, denoting involvement in the Alliance;
- (8) Receive first priority of speakers to the Corporation's Speaker's Bureau for industry conferences, trade shows and other events; and
- (9) Have Company name posted on the Corporation's WWW site.

### **3.4 Participating Members**

(a) Representatives of Participating Members are entitled to serve on committees and to chair any working committee sanctioned by the Corporation and to participate in all Corporation-sponsored events, including interoperability events. Participating Members of the Corporation have access to information regarding achievements of the Alliance and plans for future activities. In addition, each Participating Member is entitled to:

- (1) Representation at annual, general and special meetings of the Members and in working committees (to include task groups);
- (2) Contribute to the work products of the Alliance;
- (3) Participate in marketing activities;
- (4) Participate in interoperability events hosted by the Corporation;
- (5) Use the Corporation's Member logo and Member plaque, denoting involvement in the Alliance;
- (6) Provide speakers to the Corporation's Speaker's Bureau for industry conferences, trade shows and other events when opportunities are not filled by Principal Members;
- (7) Have Company name posted on the Corporation's WWW site.

(b) Participating Members have no voting rights at any meeting of Members of the Corporation. Representatives of Participating Members may not run for the Board of Directors or serve as officers of the Corporation.

### **3.5 Auditing Members**

(a) Auditing membership is restricted to employees of colleges and universities and other not-for-profit institutions who have been invited by the Board of Directors to join the Alliance as an Auditing Member. Auditing Members of the Corporation can influence the technical activities of the Corporation and have access to information regarding achievements of the Corporation and plans for future activities.

(b) Auditing Members have no voting rights at any meeting of Members of the Corporation and are not entitled to participate in any activity sponsored by the Corporation except by invitation of the Board.

### **3.6 Membership Participation**

Principal Members and Participating Members in good standing will be eligible to attend and participate in all meetings of Members, will be eligible to attend and participate in any working committee that might be formed, will be eligible to participate in any shows, activities, seminars and conferences, and will be entitled to receive all documentation and materials generated by the Corporation. Business of the Corporation, including meetings of the working committees, shall be conducted in accordance with fair and democratic procedure.

### **3.7 Member Representatives**

(a) Each Member company shall be entitled to have an unlimited number of participants in the Corporation's events, however, each Member company shall be responsible for designating a single person (and may designate additional persons as alternates) who shall be authorized to act as the representative of that Member where a vote or other action on behalf of that Member is required. The designated representative of any Member company, and any alternate, must be an employee or authorized agent or contractor of that company and no person may simultaneously act as the authorized representative of more than one Member.

(b) Separate divisions or subsidiaries of a single Member company may participate as part of the Member company but may not hold a separate Membership in the Corporation. Employees, contractors and persons affiliated with a single Member company or individual Member may participate as part of the Member company but may not hold a separate Membership in the Corporation.

(c) An authorized representative of a Member, including a member of the Board of Directors or any officer, cannot continue to act in such capacity in the event that person ceases to be affiliated with the Member he or she represents, or upon termination of that person's authority by the Member giving written notice of such termination to the Corporation and designating a new authorized representative. A person who has, for any reason, ceased to be an authorized representative of a Member may at any time thereafter become an authorized representative for any other Member. If such person was formerly acting as an officer of the Corporation or a member of the Board, the Board may reappoint such person to the same or any other office and/or may appoint such person to fill the vacancy on the Board pursuant to Section 5.8 of these Bylaws.

### **3.8 Member Working Committees**

(a) Working committees may be created by the Board or Officers to address specific issues or topics. These working committees will be headed by a volunteer from a Principal

Member or a Participating Member. The participants will be comprised of all interested Members as well as any other individuals or groups invited by the committee chair.

(b) Members may be requested to provide qualified representatives to further the work of various working committees. The working committees may organize themselves in any way they deem appropriate in order to complete a given assignment, but in all cases subject to these Bylaws and the policies and procedures of the Corporation. The working committees may meet as often as they determine necessary and will be responsible for reporting their progress to the Members.

(c) The working committee chair shall be responsible for the generation of documentation related to the activity being pursued. Upon completion of a working committee activity, the results will be submitted to the Membership. In addition to participating in working committees, the Members are expected to participate in seminars, conferences, and other activities on a periodic basis to help further the goals of the Corporation.

### **3.9 Dues, Fees, and Assessments**

(a) Each member must pay, within the time and on the conditions set forth in these Bylaws, the dues, fees, and assessments. The dues, fees, and assessments shall be equal for all Members of each class, but there may be different dues, fees and assessments for different classes of Members. Dues, fees and assessments may be prorated to a renewal date. Any increase to the annual membership dues above the amount of initial dues set forth in Section 3.9(b) below shall be subject to approval by the Principal Members.

(b) The initial dues shall be as follows:

Principal Member: \$20,000.00 per year  
Participating Member: \$10,000 per year  
Auditing Members: None

(c) The Board of Directors may at any time levy special assessments upon the Principal Members to cover any extraordinary, unusual, or unanticipated operating expenses or operating deficits of the Corporation; *provided, however*, that unless approved by majority vote of the Principal Members, the total amount of all special assessments levied within the same fiscal year shall not exceed fifty percent (50%) of the annual membership dues charged to the Principal Members for that fiscal year.

(d) If any payment of dues or any assessment is not made as and when required, the Board of Directors shall cause a notice of default to be sent to the delinquent Member. If the payment is not made within forty-five (45) days after the date of sending such notice to the delinquent Member, the Board may send a further notice advising the delinquent Member that its membership in the Corporation may be suspended if the default is not cured within forty-five (45) days. Upon failure or refusal by the delinquent Member to pay all amounts set forth in the notice of default, the Board shall be entitled to suspend the membership of the delinquent Member until such default has been cured. A membership which has been suspended pursuant to

this paragraph may be reinstated upon payment by the delinquent Member of the unpaid dues or assessment plus an administrative fee of \$250.00.

### **3.10 Charges for Participation in Special Events or Activities**

(a) The Board of Directors may establish charges payable by Members for participation in any special events or activities conducted by the Corporation, including, but not limited to, trade shows and interoperability tests. The amount of such charge shall be equal for all participants of a given membership class, but may be different for different classes of membership. The charge may be less or more than the costs associated with the event or activity.

(b) The Board may require advance payment of any portion or all of the charges for participation in a special event or activity and may deny participation to any Member failing to make such payment as and when it become due. In the event a Member participates in a special event or activity and fails or refuses to pay the amount charged to that Member for such participation, the Board of Directors may exercise the same rights and remedies as would be available in the case of delinquency in payment of annual dues.

### **3.11 Good Standing**

Those Members who have paid the required dues, fees, and assessments and who are not suspended shall be Members in good standing. Failure to pay required dues, fees or assessments may result in loss of membership and all Member privileges and benefits in accordance with the procedures set forth in these Bylaws.

### **3.12 Change of Control**

In the event a Member's assets are totally or substantially transferred to another entity through merger, acquisition or other cause, that Member's membership may be transferred to the new entity, provided all appropriate membership documents and the membership application are properly executed in the name of the new entity. Any such transfer of membership shall be subject to approval by the Board of Directors. When both entities hold membership, the lowest class of membership is automatically terminated, and the highest class of membership is retained in the name of the surviving entity. The Corporation has no obligation to refund any dues, fees or assessments in the event of merger or acquisition. In no case shall a merger or acquisition eliminate the obligations of a Member.

### **3.13 Change in Membership**

A Member of the Corporation may request a change in its status by written application to the Board of Directors. Said Member shall be required to pay prorated dues and assessments for a membership upgrade, receiving prorated credit for the membership dues and assessments which have already been paid for the lower class of membership.

### **3.14 Resignation or Expiration of Membership**



(a) Any Member of the Corporation may withdraw from membership by tendering a written resignation to the Board of Directors at any time; provided, however, that no resignation shall relieve a Member from full payment of any and all initiation fees, dues, and special assessments and each and every installment thereof remaining unpaid on the date of tender of resignation.

(b) A membership which has been issued for a fixed period of time shall automatically expire at the end of such period, unless renewed or extended by the Board.

### **3.15 Termination or Suspension of Membership**

(a) **Causes of Termination or Suspension.** The occurrence of any of the following events shall constitute grounds for termination or suspension of membership in the Corporation:

- (1) Failure of a Member to cure a default in payment of dues, fees, or assessments in accordance with Section 3.9(d);
- (2) Occurrence of any event that renders a Member ineligible for membership, or failure to satisfy membership qualifications;
- (3) Bankruptcy or withdrawal from or cessation of business by any Member which is a legal entity (incorporated or unincorporated).
- (4) Conduct by a Member or by the employees or representatives of a Member which is seriously detrimental to the purposes and goals of the Corporation or in violation of the rules and documented procedures of the Corporation, including but not limited to a violation of these Bylaws.

(b) **Procedure for Suspension or Revocation of Membership.** Upon the occurrence of any of the events described in paragraph (a) of this Section 3.14, the Board may initiate proceedings for suspension or termination of membership by adopting a resolution of intention to take such action against the affected Member. The resolution must be adopted by at least a two-thirds vote of the entire Board. A written notice shall thereupon be given to the affected Member stating the action proposed to be taken by the Board (i.e. suspension or revocation of membership) and the facts and circumstances relied upon by the Board as the justification for such intended action. The notice shall also specify the date on which the Board proposes to take such action, which shall be not less than thirty (30) days from the date of the notice. The notice shall further advise the affected Member that the Member is entitled to an opportunity to be heard, either orally or in writing, prior to the date of the intended action. Upon request by the Member, the Board shall schedule a meeting for the purpose of hearing any evidence the Member desires to present to the Board in person or through a representative selected by the Member. The decision by the Board concerning suspension or revocation of membership shall be final and binding.

(c) **Loss of Membership Rights.** A Member whose membership is revoked or suspended for any reason shall forfeit any dues or special assessments paid during membership. A suspended Member shall not be considered a Member in good standing during the period of suspension, and shall take no part in any of the activities, funds, property, rights, and interests belonging to the Corporation until such time as such Member complies with the requirements for the removal of the suspension and the return to good standing.

(d) **Reinstatement of Membership After Revocation.** A Member whose membership has been revoked shall be eligible to rejoin the Corporation by submitting a petition to the Board of Directors. Such petition must be approved by a two-thirds vote of the entire Board. A former Member shall not be considered for readmission until all arrears in dues and/or other monetary obligations to the Corporation, including assessment of reasonable costs related to the loss and restoration of membership, shall have been paid.

## **ARTICLE 4 MEETINGS OF MEMBERS**

### **4.1 General Provisions Concerning Meetings**

All meetings of Directors and Members of the Corporation and working committees thereof, shall be pursuant to a written agenda. Minutes shall be taken of all meetings of Directors and Members and are encouraged but not essential for working committees. The conduct of any meeting shall be limited to subjects within the proper purposes and objectives of the Corporation.

### **4.2 Annual Meeting**

The annual meeting of the Members of the Corporation, at the direction of the Board of Directors, may be held inside or outside the State of California, shall be on such date and time within sixty (60) days after the close of the Corporation's fiscal year, and at such place as shall be designated by the Board of Directors, as stated in the notice of the meeting. In the absence of such determination of place, Members meetings shall be held at the Corporation's principal office. At the annual meeting, the Principal Members shall elect the Directors to replace all Directors whose terms are expiring, and shall transact such other business as may properly come before the meeting. If the Corporation fails to hold an annual meeting (or circulate a written ballot to the Principal Members for election of Board members) as set forth in this Section 4.1, any Principal Member may petition the superior court of the proper county to order such meeting or ballot, as permitted by Section 7510 of the California Nonprofit Corporations Law.

### **4.3 General Meetings**

General meetings of the Members of the Corporation may be held at any place designated by the President or the Board of Directors, upon call by the President or the Board of Directors. General meetings are intended to be a vehicle to discuss the work plan of the Corporation and the progress thereof, and to solicit member contributions.

#### **4.4. Special Meetings**

(a) Special meetings of the Members of the Corporation may be called by the Chairman of the Board, the President, the Board of Directors a committee chair, or by Principal Members representing five percent (5%) of the voting power of the Corporation. A special meeting called by any person (other than an officer or the Board of Directors) entitled to call such a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chairman of the Board, the President, or the Secretary of the Corporation. The officer receiving the request shall cause notice to be given promptly to the Members, in accordance with Section 4.5 of these Bylaws, stating that a meeting will be held at a special time and date fixed by the Board of Directors; *provided, however*, that the meeting date shall be not less than ten (10) or more than ninety (90) days after receipt of the request. If the notice is not given within ten (10) 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 may be held when the meeting is called by the Board of Directors. No business, other than the business of the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting. Minutes of the meeting will be kept and archived by the Secretary.

(b) The Board has the option to approve a sequence of meetings beyond the ninety (90) day limit in support of a committee wishing to establish a regular schedule. The Board has the option to approve meetings beyond the ninety (90) day limit for the purpose of negotiating lower costs with hotels or other facility providers.

#### **4.5. Notice**

(a) Written and/or electronic notice of the time and place and purpose of holding any annual meeting or general meeting of the Members of the Corporation shall be given to each Member who on the record date of notice is permitted to attend such meeting, not less than ten (10) or more than ninety (90) days prior to the scheduled date for the meeting. The notice of such a meeting will include the proposed agenda for that meeting. All notices shall be given to the Member's address on file with the Corporation either personally or by facsimile, electronic mail, first class, registered, or certified mail. Notice of a meeting need not be given to any Member who signs a waiver of notice, whether before or after the meeting. The attendance of any Member at a meeting in person shall constitute a waiver of notice by that Member unless such Member is attending solely for the stated purpose of protesting the sufficiency of the notice given for that meeting.

(b) Advance notice of meetings scheduled beyond the ninety (90) day limit may be given for the advance planning and convenience of Members. Such advance notice shall not constitute fulfillment of the requirements for notification prescribed above and a separate notice of the meeting shall be given in accordance with such requirements.

#### **4.6. Quorum**

Principal Members representing not less than one-third of the voting power shall constitute a quorum for any annual, general or special meeting of Members; *provided, however*, that a meeting attended by Principal Members representing less than one-third of the voting power shall constitute a quorum for the purpose of voting only upon matters that were generally described in the notice of that meeting given to the Members. Upon approval by the Board and subject to such restrictions or conditions as the Board may prescribe, Members may attend any meeting by means of teleconferencing, video conferencing, or other electronic means, so long as each Member attending the meeting in such fashion is able to hear and participate in the meeting to the same extent as any Member who is physically present at the meeting.

#### **4.7. Voting**

(a) If a quorum is present, the affirmative vote of a majority of the Principal Members represented at the meeting and entitled to vote thereon shall be the act of the Members. Cumulative voting shall not be authorized for the election of Directors or for any other purpose. The Secretary will provide to any Principal Member in good standing, upon request, complete voting tallies of any balloted vote, except that ballots for Directors shall remain secret.

(b) No proxy is allowed in voting at any meeting of the Members.

#### **4.8. Written Consents**

(a) Any action required or permitted to be taken at a meeting of the Members of the Corporation, including the election of directors, may be taken without a meeting and without prior notice upon compliance with this Section 4.8.

(b) Approval by written or electronic ballot pursuant to this Section shall be valid if the number of ballots cast equal or exceed the specified total number of ballots that must be received by a designated time at a meeting authorizing the action.

(c) If action by Members is proposed to be taken without a meeting, the Secretary of the Corporation shall distribute one written ballot to each Principal Member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section 4.5 of these Bylaws. All solicitations of votes by written ballot shall:

- (1) Describe in reasonable detail the matter to be voted upon by the Members;
- (2) Indicate the number of responses needed to meet majority requirements;
- (3) State the percentage of approvals necessary (51%) to pass the measure or measures, and
- (4) Specify the time by which the ballot must be received in order to be counted, which time must afford the Member a reasonable opportunity to return the ballot to the Secretary of the Corporation.

Whenever action is taken pursuant to this Section, the written consents of the Principal Members consenting thereto shall be filed with the minutes of proceedings of Members.

#### **4.9. Record Date for Member Notice**

For the purposes of determining which Principal Members are entitled to receive notice of any meeting, to vote, to give consent to corporate action without a meeting, or to take other action, the Board of Directors may fix, in advance, a "record date," which shall not be more than ninety (90) nor fewer than ten (10) days before the date of any such meeting, nor more than sixty (60) days before the date on which ballots are to be submitted for any proposed action to be taken without a meeting. Only Principal Members of record on the date so fixed are entitled to notice, to vote, to give consents, or take other action, as the case may be.

### **ARTICLE 5 DIRECTORS**

#### **5.1 Powers**

The Board of Directors is responsible for the overall management and well-being of the Corporation.

#### **5.2 General Management of the Corporation**

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 these 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.

#### **5.3 Specific Powers**

(a) Without prejudice to the general powers set forth in Section 5.2 of these Bylaws, but subject to the same limitations, the Directors shall have the power to:

- (1) 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.
- (2) Change the principal office or the principal business office in California from one location to another; conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of Members.

- (3) Adopt and use a corporation seal; adopt forms of Membership certificates consistent with the provision of Section 7313 of the California Nonprofit Mutual Benefit Corporation Law; and alter the forms of the seal and certificates.
- (4) Without prejudice to the general powers set forth in these Bylaws, but subject to the same limitations, the Directors shall not have the power unless authorized by a majority of the Members to borrow money 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, hypothecation, and other evidences of debt and securities.
- (5) Appoint such standing or special committees as may be found necessary or desirable to carry out the objectives and purposes of the Corporation, and to fix their powers and prescribe their duties.
- (6) Select an Administrator for administering the day-to-day activities necessary for the conduct of the Corporation's business of , and fix and prescribe its duties. Such Administrator may be an independent contractor and need not be a Member of the Corporation or a Member's representative.
- (7) Bond such officers, agents, and employees of the Corporation as may be necessary in such amounts and with such sureties as may be reasonable.
- (8) Designate depositories for the Corporation, to rent safety deposit vaults, and to provide the manner of signing checks, notes, bills, and other evidences of indebtedness of the Corporation.
- (9) Invest and reinvest the funds of the Corporation and to change such investments from time to time, keeping the safety and security of the funds as a priority.
- (10) Pay as they become due the ordinary and necessary operating expenses of the Corporation.
- (11) In general do all lawful things and exercise all such lawful powers as are not vested in the Members of the Corporation and which will promote the objectives and purposes of the Corporation.

#### **5.4 Authorized Number of Directors**

The authorized number of Directors shall be seven (7).

#### **5.5 Election, Designation and Term of Office**

(a) The Directors shall be elected annually at the annual meeting of the Corporation's Members. Any representative of a Principal Member in good standing may run for election to the Board. A candidate for election to the Board who is the representative of a Member company shall provide evidence that such Member has no objection to the assumption by the candidate of the additional duties, responsibilities and time commitment required for service on the Board of Directors.

(b) Each Director shall be elected by the Principal Membership, or as otherwise specified herein. A Director may serve a maximum of three (3) consecutive terms. A Director who is a representative of a Member company shall be required to resign if his or her employer ceases to be a Principal Member in good standing or if the Director leaves the employment of the Principal Member. In the event that person subsequently joins another company who is or becomes a Principal Member of the Corporation, her or she may be designated as the representative of his or her new employer and may run for a position on the Board.

(c) The Chairman of the Board, if any, and the President shall be elected by the Board from the members of the Board of Directors. The Vice President(s), if any, the Secretary and the Treasurer may also serve as a member of the Board of Directors. Officers who are not members of the Board of Directors shall be ex-officio members but shall not be voting members of the Board.

(d) No Principal Member may have more than one representative on the Board of Directors. The Board of Directors can conduct itself by majority vote on decisions required of it and can do so by voice or email. Proxy votes of any kind are not permitted in any vote taken by the Board. The Board shall prepare a report on the annual activities to be presented to the Members at the annual meeting.

(e) All Directors shall take office at each annual meeting of Principal Members and will hold office until the next annual meeting; however, if any Directors are not elected at an annual meeting, they may be elected at any special Members' meeting held for that purpose or by written ballot. Each Director, including a Director elected to fill a vacancy or elected at a special Members' meeting or by written ballot, shall hold office until a successor has been elected and qualified in the annual elections.

## **5.6 Vacancies of Board**

(a) A vacancy or vacancies on the Board shall exist on the occurrence of any of the following events:

- (1) The death or resignation of any Director;
- (2) 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;

- (3) The vote of a 2/3 majority of Principal Members, to remove any Director(s);
- (4) The failure of the Principal 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.

## **5.7 Resignations**

Except as provided below, any Director may resign by giving written notice to the Chair of the Board, if any, or to the President or the Secretary of the Corporation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

## **5.8 Filling Vacancies**

In the event of the death, resignation, removal, or disqualification of any Director, the Board shall fill the vacancy with a Principal Member in good standing who is not currently represented on the Board. If the Board does not act, a special meeting of the Principal Members may be called in the manner prescribed in these Bylaws to nominate and vote for a Director to fill any vacancy or vacancies not filled by the Board (to serve for the rest of the term).

## **5.9 No Removal 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.

## **5.10 Director's Meetings**

(a) **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.

(b) **Meetings by Telephone.** Any meeting can be held by conference telephone or similar communication equipment, as 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.

(c) **Annual Meetings.** Immediately after each annual meeting of Members, the Board shall hold a regular meeting for purposes of organization, election of officers, and the transaction of other business.

(d) **Other Regular Meetings.** Other regular meetings of the Board may be held at such time and place as the Board may fix from time to time. Regularly scheduled general meetings of the Board shall occur no less than four times per year.



(e) **Special Meetings.** Special meetings of the Board of Directors may be called by the Chair of the Board, if any, the President, a Vice President, if any, the Secretary, the Treasurer, or any two Directors, by giving at least seven (7) days prior notice prior of the date, time, and place of the meeting. Such notice may be given either personally, by mail, or by electronic transmission.

(f) **Quorum.** A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present a duly held meeting at which a quorum is present shall be the act of the Board, subject to any more stringent requirements as may be contained in the California Nonprofit Mutual Benefit Corporation Law or these Bylaws. 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 a majority of the required quorum for that meeting.

(g) **Proxy Votes Prohibited.** Proxy votes are not permitted on any votes taken by the Board of Directors.

(h) **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 in 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, lack of notice to him or her.

(i) **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.

## **5.11 Action Without a Meeting**

Any action that the Board is required to take may be taken without a meeting if all members of the Board consent in writing or electronic mail 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.

## **5.12 Reimbursement**

Directors may receive such reimbursement of expenses as determined by resolution of the Board to be just and reasonable to the Corporation at the time the resolution is adopted.

## **5.13 Committees**

(a) **Committees of the Board.** The Board, by resolution, may create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Persons who are not Directors of the Corporation may not be appointed to a committee of the Board., 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.

(b) **Meetings and Actions of Committees.** 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 as 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.

(c) **Particular Board Committees.** The Board may establish particular committees, e.g., an executive committee, audit committee, nominating committee, compensation committee and finance committee. The Board cannot, however, delegate the powers listed in Corporations Code Section 7212(a)(1)-(8) to any committee. If any committee is to have any non-director committee members, it is not a committee of the Board. The Board may delegate management of the Corporation's activities to the same extent that those powers could be delegated to anyone under Corporations Code Section 7210. If the committee does not exercise the authority of the Board, paragraphs (a) and (b) of this Section 5.13 need not apply to it.

## **ARTICLE 6 OFFICERS**

### **6.1 Officers of the Corporation**

The officers of the Corporation shall be a Chair of the Board, if any, a President, a Secretary, and a Treasurer. The Corporation may also have, upon approval of the members, one or more Vice Presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with Section 6.3 of these Bylaws. Officer positions may be combined by the Board (e.g.. Secretary/Treasurer).

### **6.2 Election of Officers**

The officers of the Corporation, except those appointed under these Bylaws, shall be elected by the Board at the annual meeting and shall serve a one (1) year term at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment. An officer need not be a designated representative of a Member company.

### **6.3 Other Officers**

The Board may appoint and may authorize the Chair 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.

### **6.4 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.

### **6.5 Resignation of Officers**

Any officer may resign at any time by giving written or electronic 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.

### **6.6 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.

### **6.7 Chair of the Board**

The Chair of the Board (if any) shall set the agenda and preside at all meetings of the Board of Directors. The Chair of the Board shall also act as liaison from and spokesperson for the Board of Directors and shall participate in long term planning for the Corporation. The Chair of the Board shall perform all such other duties as pertain to the Office of the Chair of the Board and shall perform such other duties as the Board of Directors shall prescribe by resolution. In the event that the Chair is unable to attend a meeting, the Chair is responsible to designate another board member to act in his or her stead.

## **6.8 President**

Subject to such supervisory powers as the Board may give to the Chair of the Board and subject to the control of the Board, 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 be a member ex-officio of all committees of the Corporation. The President shall perform all such other duties as pertain to the office of the President and shall see that all resolutions of the Board of Directors are carried into effect. In the absence of the Chair of the Board from any meeting of the Corporation's Members or the Board of Directors, the President shall preside.

## **6.9 Vice Presidents**

In the absence or disability of the President, the Vice Presidents or a Vice President (if any) 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 or the Bylaws may prescribe.

## **6.10 Secretary**

(a) The Secretary shall be the custodian of the corporate records, except those pertaining to the office of the Treasurer.

(b) 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) The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may elect, 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.

(d) The Secretary shall be responsible for attendance lists, drafting the minutes of meetings, providing timely notice of meetings, establishing electronic mail communication with

Members, publication of minutes, agendas, proposals, reports and other documents transmitted by the Corporation to its Members and listing the action items generated at meetings. Distribution via email or posting to the Corporation's website is acceptable in lieu of hard copy material. The records may be kept in electronic, disk, or other format so long as a written form may be printed and accessed.

(e) The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

(f) 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 (if any) in safe custody.

(g) The Secretary shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

## **6.11 Treasurer**

(a) The Treasurer shall keep and maintain, or use a service provider to keep and maintain, adequate and correct books and accounts of the Corporation's properties and transactions consistent with Generally Accepted Accounting Principles. 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. The Board of Directors may choose to authorize an audit of the Membership and financial records at any time by 30 days written notice to the Treasurer.

(b) The fees charged by a service provider shall be agreed to by vote of the Board of Directors on an annual basis. In the event such charges are on a time and materials basis, the Board of Directors may require that a "not to exceed" provision be implemented in any agreement with the service provider.

(c) The Treasurer, or designated service provider as approved by the Board, shall receive, disburse, and collect any money due and belonging to the Corporation and 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. The Treasurer shall pay all bills and disburse the Corporation's funds as the Board may order. The Treasurer shall render to the President, Chair of the Board, and the Board, when requested, an account of all transactions and of the financial condition of the Corporation, and shall prepare and file all state and federal information and tax returns as may be required by law., The Treasurer shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(d) If required by the Board, the Treasurer shall furnish to the Corporation a bond in the amount and with the surety or sureties specified by the Board, the cost of such bond to be paid by the Corporation, 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 Treasurer on his or her death, resignation, retirement or removal from office.

## **ARTICLE 7 INDEMNIFICATION**

### **7.1 Right of Indemnity**

To the fullest extent permitted by law, including, but not limited to the provisions of Section 7237 of the California Nonprofit Corporation Law, the Corporation shall indemnify its directors, officers, employees and other persons described in Section 7237(a), 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 defined in Section 7237(a), 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. The term "expense" includes, without limitation, attorneys' fees and any expenses of establishing a right of indemnification under these Bylaws.

### **7.2 Approval of Indemnity**

(a) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 7237(b) or 7237(c) or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

(b) Except as provided in Paragraph (a) of this Section 7.2, on written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c), the Board shall promptly determine under Section 7237(e) 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 shall promptly 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) or Section 7237(c) has been met and, if so, the Members present at the meeting shall authorize indemnification.

### **7.3 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 Section 7.1 and Section 7.2 of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before the 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.

#### **7.4. Indemnity Insurance**

The Corporation shall have the power to purchase and maintain insurance on behalf of any individual who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against or incurred by such individual in such capacity, or arising out of such individual's status as such, whether or not the Corporation would have the power to indemnify such individual against such liability under the provisions of this Bylaw.

### **ARTICLE 8 CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS**

#### **8.1. Contracts with Directors and Officers**

(a) No Director or officer of this Corporation, nor of any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors or officers are directors, officers, or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with the Corporation, unless all of the following conditions have been satisfied:

- (1) The material facts regarding such Director's or officer's financial interest in such contract or transaction and/or regarding such Director's or officer's common office holding or financial interest in the other party to the contract or transaction, are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to consideration by the Board of such contract or transaction;
- (2) 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 vote or votes of such interested Director(s);
- (3) Prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
- (4) The Corporation enters into the transaction for its own benefit, and the transaction is fair and reasonable to the Corporation at the time the transaction is entered into.

(b) Where the number of Directors who are disqualified by reason of conflict of interest prevents the establishment of a quorum of the entire Board, the decision concerning the contract or transaction shall be submitted to the Principal Members. The Board may also

voluntarily elect to refer such decision to the Principal Members notwithstanding the fact that a quorum of the entire Board would be qualified to vote on the matter. If the conflict of interest involves a Principal Member or a representative of a Principal Member, that Member shall abstain from voting on any motion or other action of the Members concerning the contract or transaction. An approval of the contract or transaction by the Principal Members shall be valid and binding upon the Corporation if both of the following conditions have been satisfied:

- (1) The material facts regarding such Director's or officer's financial interest in such contract or transaction and/or regarding such Director's or officer's common office holding or financial interest in the other party to the contract or transaction are fully disclosed in good faith and are noted in the minutes of the membership meeting, or are known to all Principal Members, prior to consideration by the Principal Members of such contract or transaction; and
- (2) Such contract or transaction is approved by a majority of the Principal Members in good faith, excluding the vote of any Member required to abstain by reason of the conflict of interest.

## **8.2. Loans to Directors and Officers**

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer.

## **ARTICLE 9 RECORDS AND REPORTS**

### **9.1 Maintenance of Corporate Records**

- (a) The Corporation shall keep:
  - (1) Adequate and correct books and records of account;
  - (2) Written minutes of the proceedings of its Members, Board and committees of the Board;
  - (3) A record of each Member's name, address and class of membership.

(b) All records may be maintained electronically, on disk or other format, so long as a written form may be printed and accessed.

### **9.2 Inspection of Membership Records**

(a) 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:

- (1) 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
- (2) 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 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 (10) days after (i) the demand is received or (ii) the date specified in the demand as the date as of which the list is to be compiled.

(b) The Corporation may, within ten (10) days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proposed 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 reason 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.

(c) 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.

### **9.3 Inspection of Accounting Records and Minutes**

On written demand to 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.

### **9.4 Maintenance and Inspection of Articles and Bylaws**

The Corporation shall keep at its principal office 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. 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.

### **9.5 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.

### **9.6 Fiscal Year and Annual Report**

(a) The Corporation's fiscal year shall be a calendar year commencing on January 1<sup>st</sup> and ending on December 31<sup>st</sup>.

(b) An annual report shall be prepared within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information in appropriate detail:

- (1) A balance sheet as of the end of the fiscal year, and an income statement of changes in financial position for the fiscal year, accompanied by a 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.
- (2) A statement of the place where the names and addresses of current Members are located.
- (3) Any information that is required by Section 9.7.

(c) The Corporation shall notify each Member annually of the Member's right to receive a financial report under this section. On written request by a Member, the Board shall promptly cause the most recent annual report to be sent to the requesting Member.

### **9.7 Annual Statement of Certain Transactions and Indemnification**

(a) As part of the annual report to all Members, or as a separate document furnished to all Members within 120 days after the end of the fiscal year if no annual report is issued for that year, the Board of Directors of the Corporation shall provide a disclosure statement of any transaction or indemnification of the following kind which may have occurred during the preceding fiscal year:

- (1) Any contract or transaction or series of contracts or transactions between the Corporation and any Member, Director, or officer of the Corporation or other entity in which any Member, Director, or officer of the

Corporation holds a financial interest, having a value or consideration in excess of \$50,000; and

- (2) Any resolution adopted by the Board of Directors for indemnification of any Director or officer of the Corporation.

Notwithstanding the foregoing, no such disclosure statement shall be required if the contract or transaction was previously approved by the Principal Members pursuant to Section 8.1(b) of these Bylaws, or if the indemnification of the Director or officer was previously approved by the Principal Members pursuant to Section 7.2(b) of these Bylaws.

(b) 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.

## **ARTICLE 10 INTELLECTUAL PROPERTY RIGHTS**

(a) All patents, copyrights, or other intellectual property owned or created by any Member outside the Corporation or its work shall remain the property of that Member and ownership and rights thereunder shall not be affected in any way by the Member's participation in the Corporation.

(b) All material presented to the Corporation, including its various committees, shall be deemed of a non-confidential nature and hence for public distribution; *provided, however*, that if certain special activities of the Corporation (e.g., interoperability tests) are best determined to be conducted under obligations of confidentiality, participation in that activity can be made contingent upon the execution of an agreement restricting public dissemination of information concerning the activity until such future time as may be specified in the agreement.

(c) In support of the stated purpose of developing proposals for submission to IEEE for standardization, any Member proposals shall be deemed to be in accordance with the IEEE patent policy.

## **ARTICLE 11 DISCLAIMER OF WARRANTIES**

The Corporation and its Members, Directors, officers, employees, agents and representatives make no express or implied warranty as to any matter whatsoever, including the conditions of the research or any invention or product, whether tangible or intangible, made or developed by the Corporation or in the course of its activities, or the ownership, merchantability, or fitness for a particular purpose, or any research, invention, product, or submission, and all

such matters are presented "as is". This provision shall survive resignation, expulsion or cessation of business of any member or dissolution of the Corporation.

## **ARTICLE 12 DISTRIBUTION OF PROPERTY ON DISSOLUTION**

### **12.1. Return of Certain Property to Members**

In the event of dissolution of the Corporation, any property in the possession of the Corporation which is being held subject to a valid condition requiring the return of such property on dissolution to the Member who is the lawful owner of such property, shall be returned to such Member not later than the time when the assets of the Corporation are distributed pursuant to Section 12.1 of these Bylaws.

### **12.2. Distribution of Corporate Assets**

Except for distributions required by Section 12.1 above, all of the assets of the Corporation, if any, remaining after payment of all Corporate debts, obligations and expenses, shall be distributed to either an entity which qualifies under Section 501(c)(6) of the Internal Revenue code of 1986, as amended (or any successor provision in any future Federal Income Tax law) and which has substantially similar purposes as this Corporation, or to an entity which qualifies under Section 501(c)(3) of the Internal Revenue Code, as amended (or any successor provision in any future Federal Income Tax Law). The selection of a recipient of the Corporation's assets shall be made by the Board of Directors.

## **ARTICLE 13 CONSTRUCTION AND DEFINITIONS**

### **13.1 General 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 and the plural includes the singular, and the term "person" includes both a legal entity and a natural person. All references in these Bylaws to a certain number of days shall mean calendar days.

### **13.2 Definition of "Majority"**

All references to "majority" shall mean an amount which is more than fifty percent (50%). For example, where the vote of a majority of members is required for passage of an act, a "majority" would be that number of members which is greater than fifty percent (50%).

**ARTICLE 15**  
**EFFECTIVE DATE AND AMENDMENTS**

**15.1 Effective Date**

These Bylaws shall become effective immediately upon their adoption. Amendments to these Bylaws shall become effective immediately upon their adoption unless, at the time of adoption, the amendment is declared to become effective at a later date or only upon the occurrence of a specified event.

**15.2 Amendments**

(a) Pursuant to Section 7150 of the California Nonprofit Mutual Benefit Corporation Law, these Bylaws may be amended or repealed and new Bylaws adopted by the vote of the majority of the members of the Board of Directors then in office upon proper notice, unless the action would result in any of the following circumstances, in which event the amendment or repeal must be approved by the Principal Members:

- (1) Materially and adversely affect the rights of Members as to voting, dissolution, redemption, or transfer;
- (2) Establish an authorized number of Members for any class of membership and, if established, to increase or decrease the authorized number for any class;
- (3) Effect an exchange, reclassification or cancellation of all or a part of the memberships; or
- (4) Authorize a new class of membership.

(b) Bylaws affecting the following may be adopted, amended or repealed only by the affirmative vote of a majority of the votes represented and voting at a duly held meeting of the Principal Members at which a quorum is present, or by written ballot:

- (1) Any amendment that would result in any of the circumstances described in Paragraphs (1) through (4) of Section 15.2 above or any of the circumstances described in Section 7150(b) of the Corporations Code that would affect the class of Principal Members;
- (2) A Bylaw specifying or changing the maximum or minimum number of Directors;
- (3) A Bylaw increasing the term of office of Directors;
- (4) A Bylaw increasing the quorum of Members;

**ARTICLE 16**  
**LAWS**

Notwithstanding anything contained in these Bylaws to the contrary, these Bylaws shall apply to Members of the Corporation and shall be interpreted in a manner consistent with all federal and state laws and the California Nonprofit Corporation Law.