

# BYLAWS OF WiMAX Forum

## A California Nonprofit Mutual Benefit Corporation

### Definitions:

**The term "Supported Standard" refers to all current and future versions of and amendments to the IEEE 802.16 specification including but not limited to 802.16a, 802.16 2004, 802.16e, etc. and as well as interoperable standards such as ETSI BRAN HIPERMAN.**

1. **Name.** The name of this corporation is WiMAX Forum.

2. **Offices of the Corporation.**

(a) **Principal Office.** The principal office for the transaction of activities, affairs, and business of the corporation ("principal office") is located at 15220 NW Greenbrier Pkwy, Suite 340, Beaverton, OR 97006. The board of directors ("board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the secretary on these bylaws opposite this section, or this section may be amended to state the new location.

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

3. **Purposes and Limitations.**

(a) **Purpose.** This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law. Without limiting the generality of the foregoing, the specific purpose of this Corporation is to promote the Supported Standard for wireless networking as a global broadband wireless standard and to promote equipment interoperability and compatibility under the Supported Standard.

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

4. **Members.**

(a) **Classes, Qualifications and Rights of Membership.**

(i) **Classes of Membership.** The corporation has three categories of participants, "board level principal members," "principal members," and "regular members." For purposes of determining membership rights under Section 5056(a) of the Nonprofit Corporation Law, there shall be a single class of members, which is

designated as "board level principal members" in these Bylaws and is designated as "principal members" in Article V.A. of the corporation's Restated Articles of Incorporation. Only board level principal members are voting members under Section 5056(a). The second category, referred to as "principal members" in these Bylaws, corresponds to "regular members" in Article V.B. of the corporation's Restated Articles of Incorporation. As used in these Bylaws, "principal members" is also used to refer collectively to both "board level principal members" and "principal members" unless expressly provided otherwise or unless the context requires a different reading. In addition, this corporation shall have a third category of participants, designated as "regular members" in these Bylaws, which shall have those rights that the board of directors may establish for it from time to time and which is not established or defined through the corporation's Restated Articles of Incorporation.

(ii) Qualifications for Membership as a Regular Member. Except as provided in Section 4(a)(v), any company or other entity shall be eligible to be a regular member if it demonstrates that it is dedicated to the purposes of this corporation by

(A) Publicly displaying a legitimate business or governmental interest; AND

(B) Publicly supporting or engaging in activities that promote the development, manufacture, improvement, or deployment of WiMAX Forum Certified™ products or related products, services or applications, or that evidence an interest in potentially engaging in any of the foregoing activities; AND

(C) Receiving approval of the membership application by the board; AND

(D) Paying such dues and fees as the board may fix from time to time.

(iii) Qualifications for Membership as a Principal Member. Except as provided in Section 4(a)(v), any company or other entity shall be eligible for membership as a principal member if it satisfies the membership eligibility requirements for regular members under Sections 4(a)(ii)(A) and 4(a)(ii)(B) above and, in addition,

(A) Has demonstrable plans to manufacture WiMAX Forum Certified™ products, or components that are intended for use in such products, or to trial, ship or deploy and/or operate a service with infrastructure incorporating WiMAX Forum Certified™ products as presently available or as they become available, or to develop or deploy and operate applications that are intended to exploit the broadband content delivery capabilities of networks using WiMAX Forum Certified™ products, or, if the entity is a governmental agency, has as part of its responsibilities, the evaluation, administration or regulation of the Supported Standard, as implemented through WiMAX Forum specifications and/or products, services or applications employing the Supported Standard, as implemented through WiMAX Forum specifications, AND

(B) Receives approval of the membership application by the board; AND

(C) Pays such dues and fees as the board may fix from time to time.

(iv) Qualifications for Membership as a Board Level Principal Member. Except as provided in Section 4(a)(v), any company shall be eligible for membership as a board level principal member if it satisfies the membership eligibility requirements for principal members under Section 4(a)(iii) above and is either a Charter Member or a nonpermanent board level principal member.

(A) Charter Membership. The following companies are Charter Members of the corporation: Airspan Networks Inc., Alvarion Ltd., Aperto Networks Inc., Fujitsu Microelectronics America Inc., and Intel Corporation. Each Charter Member shall be a board level principal member until it voluntarily relinquishes its status as a Charter Member or its status is terminated by the occurrence of one of the events described in Section 4(a)(iv)(C).

(B) Nonpermanent Board Level Principal Members. The board of directors, in its discretion and with the vote required under Section 6(e)(viii) of these bylaws, may admit one or more principal members as nonpermanent board level principal members provided that the total number of board level principal members does not exceed the maximum number of directors authorized from time to time under Section 6(c). Selection of nonpermanent board level principal members shall be based on selection criteria that the board may establish from time to time together with such other factors and consideration as the board determines to be relevant. The term of membership for a nonpermanent board level principal member is one (1) year from the date of appointment, at which time it will automatically expire unless renewed by the board of directors through the vote required under Section 6(e)(viii). In addition, board level principal membership status shall automatically be terminated by the occurrence of one of the events described in Section 4(a)(iv)(C).

(C) Termination of Board Level Principal Membership. A member's status as a board level principal member will automatically terminate upon the occurrence of one of the following:

(1) its membership is terminated pursuant to Section 4(e),

(2) it ceases to be eligible for membership as a principal member under Section 4(a)(iii),

(3) it voluntarily relinquishes its status as a board level principal member, or

(4) it undergoes a "Member Corporate Transaction" as defined in Section 4(e)(ii).

(D) Consequences of Termination of Board Level Principal Membership Status.

(1) Generally. Upon termination of board level principal member status, membership rights automatically revert to those of a principal member if the company continues to satisfy the qualifications for principal membership and its membership remains in good standing. Termination of

membership in the corporation automatically results in concurrent termination of all rights as a board level principal member.

(2) Charter Members. Termination of Charter Member status for any reason, including any ground for termination of board level principal member status,

(v) Collective Organization Not Eligible for Membership. No "collective organization" shall be eligible for membership as a regular or principal member of the corporation. For purposes of this Section, "collective organization" means any membership-or representative-based association, organization or entity.

(vi) No Admission or Exclusion in Violation of Applicable Law. This corporation shall take no action in admitting a member, refusing to admit a member, or suspending or terminating the membership of a member that would be a violation of any applicable law, rule or regulation.

(vii) Voting. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the general membership. All principal members shall vote as a single class in all matters submitted to a vote of the general membership by the board of directors. The board of directors may only submit to a vote of the general membership those matters not reserved to the board level principal members by the Nonprofit Corporation Law, the Corporation's Restated Articles of Incorporation, or these bylaws.

(viii) Supermajority Voting Requirements. Until such time as the corporation has more than three (3) board level principal members and three (3) non-board level principal members, for any matter that requires approval of three-quarters of the members voting as a single class or voting as separate classes, the percentage required for approval shall be two thirds if the class voting for the matter has three (3) members that are eligible to cast votes and a majority if the class voting for the matter has less than three (3) members.

(ix) Principal Membership Required for Certain Companies. Subject to eligibility under Section 4(a)(iii) above, a company must join as a principal member if it is a manufacturer of broadband wireless systems, a manufacturer of PHY semiconductors, or a manufacturer of PHY/MAC semiconductors. A company that is required to be a principal member under this Section may not join as a regular member.

(x) Rights and Privileges Reserved to Principal Members. The following rights and privileges are reserved to principal members only: the right to certify products and/or services under certification programs that the corporation may operate from time to time; participation in PlugFest events that the corporation conducts; voting rights in the corporation's working groups; eligibility for the member's employees to serve as working group officers; and such other rights and privileges as the Board of Directors may prescribe from time to time.

(b) **Other persons associated with the corporation.** The corporation may refer to other persons or entities associated with it (including observers) as "members" even though such persons or entities are not voting members pursuant to Section 4(a)(i) of these bylaws, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Corporations Code unless that person or entity shall have qualified for such a voting membership under

Section 4(a)(i) of these bylaws. When the context requires, references in these bylaws to members shall be deemed to refer to the members' duly authorized individual representatives. By amendment of its articles of incorporation or of these bylaws, the corporation may grant some or all the rights of a member of any class, as set forth in these bylaws, to any person or entity that does not have the right to vote on any of the matters specified in Section 4(a)(i) of these bylaws, but no such person or entity shall be a member within the meaning of Section 5056 of the California Corporations Code.

(c) **Dues, Fees, and Assessments.** Each member must pay, within the time and on the conditions set by the board, the dues, fees, and assessments in amounts to be fixed from time to time by the board. The dues, fees, and assessments shall be equal for all members of each class, but the board may, in its discretion, set different dues, fees, and assessments for each class. Unless the board makes an express determination to the contrary, all dues, fees, and assessments are nonrefundable. No dues, fees, or assessments will be refunded to a member in the event that a member's membership in the corporation is suspended or terminated.

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

(e) **Termination and Suspension of Membership.**

(i) Causes of termination. A membership shall terminate on occurrence of any of the following events:

(A) Resignation of a member, on written notice to the corporation;

(B) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the board;

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

(D) Occurrence of any event that renders a member ineligible for membership, or failure to satisfy membership qualifications;

(E) Expulsion of the member under Section 4(e)(iii) of these bylaws, based on the good faith determination by the board or a committee or person authorized by the board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

(ii) Suspension of membership. A member may be suspended, under Section 4(e)(ii) of these bylaws, in the absolute discretion of the board, if the circumstances set forth in Section 4(e)(i)(D) or Section 4(e)(i)(E) exist or if the member fails to pay dues, fees or assessments as set by the board within thirty (30) days after they become due and payable. In addition, a member shall automatically be suspended 30 days from the date of record in the event of a merger, asset sale or other transaction that results in an effective change of control of the member (a "Member Corporate Transaction") The 30 days shall act as a grace period for the new

corporate entity to apply as a member of the Forum. During the 30 day grace period the new entity shall retain full rights as a WiMAX Forum member. In the case of a merger of two members of the Forum where one is a regular member and the other is a principal member, the new entity shall have the rights of the principal member for the 30 day grace period during which they will have the right to apply for either regular or principal status. The Board will vote on the new entity's application within ten days of the submission of the application, acknowledgement and acceptance of the application, via email or other means, shall occur in one day or less. For every day of delay in the voting, a day is added to the grace period for the new corporate entity. A suspended member may be reinstated only upon approval by a majority of the board in its absolute discretion per Board voting guidelines as stated in these bylaws. An entity whose membership is suspended shall not be a member during the period of suspension. No meeting or vote taken in which a suspended member participates shall be void or voidable because of such suspended member's participation, but such suspended member's presence and/or vote shall not be counted for any purpose.

(iii) Procedure for expulsion or suspension. If grounds appear to exist for expulsion or suspension of a member under Sections 4(e)(i) and 4(e)(ii) of these bylaws, the procedure set forth below shall be followed:

(A) The member shall be given fifteen (15) days' prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporation's records;

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

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

(D) Any 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.

(iv) Transfer of Memberships. Memberships are not transferable, except with the approval of the board subject to Board voting guidelines per these bylaws. The board may impose transfer fees or other conditions on the transferring party as it deems fit, provided those fees and conditions are the same for similarly situated members. Unless otherwise provided by board action, the proposed transferee shall be required to submit a new application for membership as a condition to becoming a member. Subject to Section 5(k)(iv) of these bylaws, all rights of membership cease on the member's dissolution.

(v) Board of Directors. The position on the WiMAX Forum Board of Directors can not be claimed an asset of the member company, and as such may not be sold or transferred by the member company. In the event a member company

that is on the Board of Directors undergoes a Member Corporate Transaction as defined above, the Board seat does not transfer to the new entity, rather the Board will decide if the acquiring company retains its Board seat in accordance and within the timeframe described in Section 4(e)(ii).

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

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

(a) **Place of Meeting.** Meetings of the members shall be held at any place within or outside California designated by the board or by written consent of all persons entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the corporation's principal office.

(b) **Annual Meeting.** An annual members' meeting shall be held on the date and in the location specified by the board of directors. For this meeting, the board shall circulate the agenda for the meeting in advance and any proper business may be transacted by the general membership or the principal members, subject to Sections 5(d)(ii) and 5(e)(i) of these bylaws.

### (c) **Special Meetings.**

(i) Persons authorized to call. A special meeting of the general membership or of the principal members for any lawful purpose may be called at any time by three-quarters of the board of directors.

(ii) Calling meetings. A special meeting called by any person (other than the board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the chairperson of the board, if any, or the president or any vice president or the secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Section 5(d) of these bylaws, stating that a meeting will be held at a specified time and date fixed by the board, provided, however, that the meeting date shall be at least thirty-five (35) but not more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the board.

(iii) Proper business of special meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

### (d) **Notice Requirements for Members' Meetings.**

(i) General notice requirements. Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with Section 5(d)(iii) of these bylaws, to each member entitled

to vote at that meeting. The notice shall specify the place, date, and hour of the meeting, and (A) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (B) for the annual meeting, those matters that the board, at the time notice is given, intends to present for action by the members, but except as provided in Section 5(e)(i) of these bylaws.

(ii) Manner of giving notice. Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first-class, registered or certified mail, by confirmed facsimile or electronic mail transmission or by other means of written communication, charges prepaid, and shall be addressed to each delegate (and alternate delegate if the board so chooses) of each member entitled to vote, at the address of that member appearing on the books of the corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either (A) notice is sent to that member by first-class mail or telegraphic or other written communication to the corporation's principal office or (B) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

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

(e) **Quorum.**

(i) Percentage required. A majority of the members shall constitute a quorum for the transaction of business at any meeting of members.

(ii) Loss of quorum. Subject to the preceding Section 5(e)(i) of 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 three-quarters of the members required to constitute a quorum.

(f) **Adjournment and Notice of Adjourned Meeting.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of three-quarters of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

(g) **Voting.**

(i) Eligibility to vote. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members entitled to vote at any meeting of the general membership shall be principal members in good standing as of the record date determined under Sections 5(j)(i) and 5(j)(ii) of these bylaws and members entitled to vote at any meeting of board level principal members shall be board level principal members in good standing as of the record date determined under Sections Sections 5(j)(i) and 5(j)(ii) of these bylaws.

(ii) Manner of casting votes. Voting may be by voice or ballot, except that any election of directors must be by ballot.

(iii) Voting. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Each member's vote will be cast by either its primary delegate or its alternate delegate, but not both.

(iv) Approval by three-quarters vote of members. If a quorum is present, the affirmative vote of three-quarters of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by classes is required by the California Nonprofit Mutual Benefit Corporation Law, by the articles of incorporation, or by these bylaws. Any matter approved by a general membership vote shall not be binding on the corporation without the approval of a three-quarters majority of the board members at a duly called meeting at which a quorum is present or by written consent of the board members as provided in Section 6(f) below.

(h) **Waiver of Notice or Consent.**

(i) Written waiver or consent. The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (A) a quorum is present either in person or by proxy, and (B) either before or after the meeting, each member entitled to vote, who is not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 5(d)(ii), 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.

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

(i) **Action Without a Meeting.**

(i) 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 shall individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. A written consent may, to the extent permitted by applicable law, be solicited and provided by electronic mail or facsimile, so long as the response contains an actual, facsimile or electronic signature clearly indicating the member's assent to the proposition.

(ii) Action by written ballot without a meeting. Any action that may be taken at any meeting of members may be taken without a meeting by complying with Section 5(i)(ii) of these bylaws.

(A) Solicitation of written ballots or web based ballots, here after referred to as "ballots." The corporation shall distribute one ballot to each member entitled to vote on the matter. Such ballots shall be mailed, emailed or delivered in the manner required by Section 5(d)(iii) of these bylaws. All solicitations of votes by ballot shall (1) indicate the number of responses needed to meet the quorum requirement, (2) with respect to ballots other than for election of directors, state the percentage of approvals necessary to pass the measure or measures, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to the corporation. If the corporation has one hundred (100) or more members, any ballot distributed to 10 or more members shall provide, subject to reasonable specified conditions, that if the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of directors, a ballot that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

(B) Number of votes and approvals required. Approval by ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of votes approving equals or exceeds (i) the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot without a meeting, or (ii) three-quarters of the ballots cast, whichever is greater.

(C) Revocation. A ballot may not be revoked.

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

(j) **Record Date for Notice, Voting, Written Ballots, and Other Actions.**

(i) Record date determined by board. For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights with respect to any lawful action, the board may fix, in advance, a record date. The record date so fixed (A) for notice of a meeting shall not be more than ninety (90) or less than ten (10) days before the date of the meeting; (B) for voting at a meeting shall not be

more than sixty (60) days before the date of the meeting; (C) for voting by written ballot shall not be more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and (D) for any other action shall not be more than sixty (60) days before that action.

(ii) Record date not determined by board.

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

(B) Record date for action by written ballot. If not otherwise fixed by the board, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

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

(iii) Members of record. For purposes of this Section 5(j), a person holding a membership at the close of business on the record date shall be a member of record.

(k) **Proxies.**

(i) Rights of members. Each person entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed or emailed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the member or the member's attorney-in-fact.

(ii) Form of solicited proxies. If the corporation has 100 or more members, any form of proxy distributed to 10 or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of directors, any form of proxy that a member marks "withhold," or marks otherwise in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

(iii) Requirement that general nature of subject of proxy be stated. Any revocable proxy covering matters for which a vote of the members is required, including amendments to the articles of incorporation; amendments to the articles or bylaws changing proxy rights; removal of directors without cause; filling vacancies on the board of directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all of the corporate assets unless the transaction is

in the usual and regular course of the corporation's activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the corporation; contracts or transactions between the corporation and one or more directors or between the corporation and an entity in which the director has a material financial interest; or a plan of distribution of assets other than money to members when the corporation is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on.

(iv) Revocability. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until (A) revoked by the member executing it before the vote is cast under that proxy, (1) by a writing delivered to the corporation stating that the proxy is revoked, (2) by a subsequent proxy executed by that member and presented to the meeting, or (3) as to any meeting, by the member's personal attendance and voting at the meeting, or (B) written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under the proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three years from the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by Section 7613 of the California Corporations Code.

## 6. **Directors.**

### (a) **Nomination and Appointment of Directors**

(i) Eligibility. A board level principal member may appoint as a director any employee or non-employee who is eligible under the Nonprofit Mutual Benefit Corporation Law to serve as a director.

(ii) Appointment of Directors. Each board level principal member is entitled appoint one director to the board of directors.

### (b) **Powers.**

(i) General corporate powers. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the articles of incorporation and bylaws regarding actions that require the approval of the members, the corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the board's direction. The board may be referred to either as the board of directors or as the Steering Committee.

(ii) Specific powers. Without prejudice to the general powers set forth in Section 6(b)(i) of these bylaws, but subject to the same limitations, the directors shall have the power to:

(A) Appoint and remove at the pleasure of the board all the corporation's officers, agents, and employees, prescribe powers and duties for them that are consistent with the law, with the articles of incorporation, and with these bylaws; and fix their compensation and require from them security for faithful performance of their duties;

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

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

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

(E) Cast a vote on each of the following matters: the nomination and election of new directors, the amendment of the Corporation's articles and bylaws, the disposition of all or substantially all of the assets of the Corporation, the merger of the Corporation, the dissolution of the Corporation.

(F) The Board owns the final decision on selecting and approving system profiles. System profiles contain the criteria necessary for interoperability including but not limited to such specifications as frequency band of operation, channel bandwidth, etc.

(c) **Number of Directors.** The board of directors shall consist of at least three (3) but not more than twenty (20) directors until changed by amendment to these bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the board of directors. The qualifications for director are that the individual is nominated by and serves as a representative of a principal member in good standing of the corporation, and that the individual agrees to accept the duties or responsibilities imposed upon board members generally, as established by the board from time to time.

(d) **Vacancies on Board.**

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

(ii) Resignations. Except as provided below, any director may resign by giving written notice to the chairperson of the board, if any, or to the

president or the secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

(iii) Filling vacancies. If the principal member represented by the director whose resignation or removal caused the vacancy continues to be a principal member in good standing, then the vacancy shall be filled by such principal member. If a director resigns because the principal member he or she represents loses or ceases to maintain its membership in good standing, or if such principal member declines to appoint a board representative, then the board will reduce the number of authorized directors accordingly, unless a replacement principal member is admitted to the board.

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

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

(i) Place of meetings. Meetings of the board shall be held at any place within our 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.

(ii) Meetings by telephone. and other means. Any meeting may be held by conference telephone or electronic video screen communication as long as all directors participating in the meeting can hear one another. Any meeting may also be held by electronic transmission by and to the corporation, as defined in Sections 20 and 21 of the Corporations Code, provided that each director participating in the meeting can communicate with all other directors concurrently and each director is provided with a means of participating in all matters before the board at such meeting, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation. All such directors shall be deemed to be present in person at such a meeting.

(iii) Other regular meetings. Other regular meetings of the board may be held without notice at such time and place as the board may fix from time to time.

(iv) Special meetings.

(A) Authority to call. Special meetings of the board for any purpose may be called at any time by the chairperson of the board, if any, the chairperson, any vice chairperson, the secretary, or any two directors.

(B) Notice.

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

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

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

(viii) Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business or approval of a matter put to vote, except to adjourn. Every action taken or decision made by a three-quarters majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (A) approval of contracts or transactions between the corporation and one or more directors or between the corporation and any entity in which a director has a material financial interest, (B) creation of and appointments to committees of the board, and (C) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting. For the purposes of on-line balloting, a quorum is defined as being met if a majority of the Board votes on the issue. Once a majority has voted within the prescribed time frame and the quorum has been met, the 75% approval requirement comes into effect.

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

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

(xi) Notice of adjourned meeting. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given,

before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

(xii) Supermajority Voting. For any matter that requires the affirmative vote of three-quarters of the directors, only a two-thirds majority shall be required at any time that the corporation has five (5) or less directors and a simple majority shall be required if there are less than three (3) directors.

(f) **Action Without a Meeting.** Any action that the board is required or permitted to take may be taken without a meeting if all members of the board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board. A written consent may, to the extent permitted by applicable law, be solicited and provided by electronic transmission by the corporation and to the corporation or by facsimile, so long as the response contains an actual, facsimile or electronic signature clearly indicating the member's assent to the proposition and, in the case of electronic transmission to the corporation, complies with all other applicable legal requirements in effect at the time of the transmission.

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

(h) **Committees.**

(i) Committees and/or Working Groups of the board. The board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees or working groups, each consisting of any members duly appointed by the board, to serve at the pleasure of the board. Appointments to committees or working groups of the board shall be approved by three-quarters vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the board resolution, shall have all the authority of the board except that no committee, regardless of board resolution, may:

(A) 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;

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

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

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

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

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

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

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

(I) Exercise powers reserved specifically for the board of directors.

(J) Take any action, which, pursuant to the Nonprofit Corporation Law, requires approval of the board of directors.

(ii) Meetings and action 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. Only principal members shall be entitled to cast a vote on matters requiring decisions by Working Groups and committees as instituted by the board from time to time. Minutes of each meeting of any committee or working group of the board shall be kept and shall be filed with the corporate records. The board may adopt rules for the government of any committee that are consistent with these bylaws or, in the absence of rules adopted by the board, the committee may adopt such rules.

(iii) Advisory Committees and Boards. The board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more advisory committees, working groups or boards, each consisting of members and/or non-members, to serve at the pleasure of the board. These committees will not exercise any of the board's powers, but may render advice or recommendations to the board as the board may direct them, or may serve such other purposes as the board may determine from time to time. These advisory organizations shall operate according to such rules as they or the board may establish from time to time. Except as otherwise prescribed by the board, voting rules within the working groups are defined and documented in "WG Process Document Baseline Final 1.0", which is approved by the Board.

(iv) Standing Committees. Without in any way otherwise limiting the board's ability to create and remove committees, the following shall be standing advisory committees of the corporation until such time as they are disbanded by amendment to these bylaws:

(A) Marketing Working Group. The Marketing Working Group is composed of member company volunteers who wish to participate in the development and oversight of the promotional activities of the organization. Such oversight will be under the general authority and supervision of the board and will include, without limitation, the supervision and implementation of the organization's participation at trade shows/events, public speaking engagements, advertising, public relations, web site development and maintenance, as well as other promotional programs or projects approved by the board.

The Chair or Co-Chairs of the Marketing Working Group will conduct regular meetings of member volunteers who have agreed to participate. Working group sessions will be noticed to the membership via the corporation's web site and summary meeting notes will be prepared and distributed to the members of the Marketing Working Group and the board of directors. Records of these meetings will be maintained at the corporation's principal office.

The Marketing Working Group shall also assist in the development of a marketing plan for the organization under the supervision of the Treasurer, together with the budget for conducting marketing activities.

(B) Technical Working Group(s)(s). The Technical Working Group(s)(s) will consist of member company volunteers who wish to participate in the committee. The Technical Working Group(s)(s) will supervise and implement, under the general authority and supervision of the board, the WiMAX certification program, which includes coordinating activities with such independent laboratory or laboratories as may be approved by the board of directors from time to time. The Technical Working Group(s) activity will include development of testing requirements and specifications and recommending to the board of directors updates and upgrades to the WiMax certifications.

The Chair or Co-Chairs of the Technical Working Group(s) will conduct regular meetings of member volunteers who have agreed to participate. Working group sessions will be noticed to the membership via the corporation's web site and summary meeting notes will be prepared and distributed to the members of the Technical Working Group(s) and the board of directors. Records of these meetings will be maintained at the corporation's principal office. The Technical Working Group(s) shall also assist in the development of a technical plan for the organization under the supervision of the Board.

## 7. Officers.

(a) **Officers of the Corporation.** The officers of the corporation shall be a chairperson (president), vice chairperson, secretary, treasurer or CFO, Technical Working Group(s)(s) chairperson and the Marketing Working Group chairperson. The corporation also may have, at the board's discretion, one or more additional vice presidents, Working Group Chairs, vice chairpersons, assistant secretaries, assistant treasurers, and such other officers as may be appointed in accordance with Section 7(c) of these bylaws. Any number of offices may be held by the same person.

(b) **Eligibility of Officers.** Each officer of the corporation shall be elected from persons acting as directors, persons who have been engaged by principal members of the organization, or other persons that the board of directors determines to be appropriate candidates. The officers of the corporation, except those appointed under Section 7(c) of these bylaws, shall be chosen from time to time by a three-quarters vote of the board and shall serve at the pleasure of the board, subject to the rights, if any, of any officer under any contract of employment. Unless otherwise provided by board resolution, each officer shall serve a term of one-year and until his or her successor is elected and qualified.

(c) **Other Officers.** The board may appoint and may authorize the chairperson of the board, the president, or other officer to appoint any other officers that the corporation may require. Each officer so appointed shall have the title, hold

office for the period, have the authority, and perform the duties specified in the bylaws or determined by the board.

(d) **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.

(e) **Resignation of Officers.** Any officer may resign at any time by giving written notice to the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

(f) **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.

(g) **Responsibilities of Officers.**

(i) Chairperson of the board. If a chairperson of the board is elected, he or she shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chairperson of the board also shall be the chief executive officer and shall have the powers and duties prescribed by these bylaws for the president of the corporation.

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

(iii) Secretary.

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

(B) **Membership records.** The secretary shall keep or cause to be kept, at the corporation's principal office or at a place determined by board

resolution, a record of the corporation's members, showing each member's name, address, and class of membership.

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

(iv) Treasurer.

(A) Books of account. The Treasurer is the chief financial officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The Treasurer shall send or cause to be given to the members and directors such financial statements and reports as are required by law, by these bylaws, or by the board to be given. The books of account shall be open to inspection by any director at all reasonable times.

(B) Deposit and disbursement of money and valuables. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate, shall disburse the corporation's funds as the board may order, shall invest surplus money in accordance with guidelines set by the board from time to time, shall render to the president, chairperson of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

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

(v) Chairperson of the Marketing Working Group. The Chairperson or Co-Chairpersons, if two people are appointed to handle this duty, shall have responsibility for proposing and budgeting the marketing programs and managing these activities, subject to the approval of the board of directors, and managing the Marketing Working Group. In performing his/her duties, the Marketing Working Group Chair(s) shall provide the board with periodic progress reports concerning its activities and will obtain board approval on any activities requiring cash disbursements. The Chair or Co-Chairs will be responsible for enlisting consistent and productive Committee participation from the membership.

(vi) Chairperson of the Technical Working Group(s)(s). The Chairperson of the Technical Working Group(s)(s) may be a board member or appointed company member representative who will be responsible for managing the Technical Working Group(s)(s) and proposing and budgeting technical programs and coordinating them once approval is obtained from the board of directors. The Chairperson will be responsible for enlisting consistent and productive Committee participation from the membership.

8. **Indemnification.**

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

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

(c) **Advancement of Expenses.** To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under Sections 8(a) and 8(b) of these bylaws in defending any proceeding covered by those sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

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

10. **Records and Reports.**

(a) **Maintenance of Corporate Records.** The corporation shall keep:

- (i) Adequate and correct books and records of account;
- (ii) written 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.

(b) **Members' Inspection Rights.**

(i) Membership records. Subject to Division 2, Part 3, Chapter 13, Article 3 (commencing at Section 8330) of the California Corporations Code and unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

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

(B) Obtain from the secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for the election of directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the members. The demand shall state the purpose for which the list is requested. The secretary shall make this list available to the member on or before the later of ten days after (1) the demand is received or (2) the date specified in the demand as the date as of which the list is to be compiled. The corporation may, within ten business days after receiving a demand under this section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand. If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this section, it may deny the member access to the membership list. Any inspection and copying under this section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the corporation.

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

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

(d) **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, and 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.

(e) **Annual Report.** Any annual report shall be prepared within one hundred twenty (120) days after the end of the corporation's fiscal year. That report shall contain the following information in appropriate detail:

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

(ii) A statement of the place where the names and addresses of current members are located; and

(iii) Any information that is required by Section 10(f) of these bylaws. The corporation shall notify each member annually of the member's right to receive a financial report under this section. Except as provided in the following paragraph, on written request by a member, the board shall promptly cause the most recent annual report to be sent to the requesting member. This section shall not apply if the corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year.

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

(i) Unless approved by members under Section 7233(a) of the California Corporations Code, any transaction (1) to which the corporation, its parent, or its subsidiary was a party, (2) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (3) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):

(A) Any director or officer of the corporation, its parent, or its subsidiary;

(B) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction, and, when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

(ii) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Section 8 of these bylaws, unless the loan, guaranty, indemnification, or advance has already

been approved by the principal members under Section 5034 of the California Corporations Code, or the loan or guaranty is not subject to the provisions of subdivision (a) of Section 7235(a) of that Code.

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

12. **Amendments.**

(a) **Amendment by Board.**

(i) **Membership rights limitation.** Subject to the rights of members under Section 12(b) of these bylaws, the board may by a three-quarters vote adopt, amend, or repeal bylaws unless the action would:

(A) Materially and adversely affect the principal members' rights as to voting, dissolution, redemption, or transfer;

(B) Increase or decrease the number of principal members authorized in total or for any class;

(C) Effect an exchange, reclassification, or cancellation of all or part of the principal memberships; or

(D) Authorize the creation of a new class of "members" within the meaning of Section 5056(a) of Nonprofit Corporation Law.

(ii) **Changes to number of directors.** Once principal members have been admitted to the corporation, the board may not, without the approval of three-quarters of the board level principal members, specify or change any bylaw provision that would or change the minimum or maximum number of directors

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

(iv) **Board level principal member approval required.** Without the approval of the board level principal members, the board may not adopt, amend, or repeal any bylaw that would:

(A) Increase or extend the terms of directors;

(B) Increase the quorum for members' meetings;

(C) Repeal, restrict, create, expand, or otherwise change proxy rights;

(D) Authorize cumulative voting; or

(E) Amend the purpose statement of the corporation set forth in Article 3 hereof, or the requirements for principal membership set forth in Article 4 hereof.

(b) **Amendment by Members.** New bylaws may be adopted or these bylaws may be amended or repealed by approval of three-quarters of the board level principal members.