

BYLAWS
OF
NONPROFITS' UNITED
(a nonprofit public benefit corporation)

ARTICLE I.

NAME

Section 1. Name. The name of this corporation is NONPROFITS' UNITED, also known as Nonprofits' United Vehicle Insurance Pool (hereinafter "NPU VIP" or "corporation").

ARTICLE II.

LOCATION OF PRINCIPAL OFFICE

Section 1. Principal Office. The principal office for the transaction of the activities and affairs of the corporation shall be located in California. The Board of Directors ("Board") may change the principal office from one location to another within California.

Section 2. Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

ARTICLE III.

PURPOSES AND LIMITATIONS

Section 1. General Purposes. This corporation is a California Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public, charitable and educational purposes.

Section 2. Specific Purposes. The specific purpose of this corporation is to create and administer a group self-insurance pool pursuant to Section 5005.1 of the California Corporations Code. Such pool is formed by private nonprofit organizations which are tax exempt under section 501(c)(3) of the Internal Revenue Code in order to provide the necessary financing for comprehensive automobile liability, risk management, and related services for pool members.

Section 3. Limitations. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

The property of this corporation is irrevocably dedicated to public, charitable and educational purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director or officer, or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit foundation, fund or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE IV.

MEMBERS

Section 1. Voting Members. The corporation is organized with members, but without capital stock. Members of corporation shall be private nonprofit organizations which are exempt under section 501(c)(3) of the Internal Revenue Code and which have been approved as members as provided below.

Any member that receives a final determination from IRS that it no longer qualifies under section 501(c)(3) shall notify NPU VIP immediately, and each insurance policy issued by NPU VIP shall provide that it will not cover events occurring after a final determination that a member is not qualified under Section 501(c)(3).

Qualified organizations shall be admitted to membership upon application to and approval by the Board or an officer or committee designated by the Board to approve membership applications, and the payment of such premium contributions, fees, dues, and assessments, if any, as the Board may fix from time to time.

All organizations admitted to membership in NPU VIP shall have the rights afforded members under the California Nonprofit Public Benefit Corporation Law, including the right to vote on issues put before the membership. Each member shall designate in writing the individual who shall exercise the voting rights and other privileges on behalf of the member. The designation shall be filed with the Secretary of the corporation and shall be maintained with the corporate records. Said designation may be changed, permanently or temporarily, by written notice to the Secretary of the corporation.

Section 2. Fees, Dues, and Assessments. Each member must pay, within the time and on the conditions set by the Board, the premium contributions, fees, dues, and assessments determined by the Board.

Section 3. Good Standing. Those members who have paid the required premium contributions, fees, dues, and assessments in accordance with these bylaws, who operate in accordance with the articles, bylaws, and any procedures established by the corporation, shall be members in good standing.

Section 4. Termination of Membership. Membership shall terminate on the occurrence of any of the following events:

- (a) Resignation of a member upon notice to the corporation;

- (b) Failure of a member to pay any premium contribution, fees, dues or assessments set by the Board within the period of time fixed by the Board after they become due and payable;
- (c) Failure of a member to maintain the underwriting or risk management standards determined appropriate by the Board.
- (d) Expulsion pursuant to Section 6 below.

The corporation shall provide the defaulting member with written notice of the default and fifteen (15) days in which to cure the default.

Section 5. Expulsion/Termination of Membership. In the event a member fails to cure a default within 15 days as required by Section 4 above, the member may be expelled in accordance with this Article IV, based on the good faith determination by the Board that the member has failed as described in Sections 4(b) or 4(c) above, or has failed in a material and serious degree to comply with the corporation's Articles of Incorporation, bylaws, membership guidelines, or any law applicable to the corporation and its members, or has engaged in conduct which is unbecoming or prejudicial to the purposes and interests of the corporation.

Section 6. Procedure for Suspension or Expulsion. If grounds appear to exist for expulsion of a member, the procedures set forth below shall be followed:

- (a) The member shall be given 30 days prior notice of the proposed effective date of a expulsion and the reasons for the proposed expulsion. Notice shall be given by overnight express 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) business days before the effective date of the proposed expulsion. The hearing shall be held, or the written statement considered, by the Board to determine whether the expulsion should take place.
- (c) The Board or committee shall decide whether or not the member should be expelled or sanctioned in some other way. If the Board determines that expulsion is appropriate, the expulsion shall be effective on the date first given in the notice required by subsection (a) above. The decision of the Board shall be final.
- (d) Any action challenging an expulsion of membership, including a claim alleging defective notice, must be filed and served on the corporation within one year after the effective date of the expulsion.

Section 7. Effect of Expulsion. All rights of a member of the corporation shall cease and terminate upon expulsion from membership. However, expulsion shall not relieve the member (or former member) of any existing obligations to the corporation.

Section 8. No Property Rights/No Withdrawal Value. Membership in the corporation does not constitute an ownership interest in any asset of the corporation at any time. If a membership is terminated for any reason, the corporation shall not be liable for the

payment of any amount whatsoever to the member. Each member is received into membership on his or her express agreement to this provision. This provision is not for the purpose of penalizing any person whose membership shall be forfeited, or otherwise terminated, but rather because no membership will have any real or intrinsic value.

Section 9. Transfer of Memberships. A membership or any right arising from membership may not be transferred to another person without the prior written approval of the Board.

Section 10. Limitations. No individual, family group, or entity shall hold more than one membership in the corporation.

Section 11. Liability of Members. Except as limited by law, no member is liable for the corporation's debts, liabilities, or obligations.

Section 12. Meetings of Members.

(a) Place of Meetings. Meetings of the members shall be held in any place within California designated by the Board or by written consent of the Board and a majority of the persons entitled to vote at the meeting.

(b) Annual meeting of Members. An annual meeting of members shall be held at a time and place determined by the Board. At this meeting, any proper business may be transacted, subject to any limitations in law or these bylaws. Written notice of the annual members' meeting shall be given at least 30 days in advance in accordance with the procedures provided in subsections (d) and (e) below.

(c) Special Meetings. A special meeting of the members for any lawful purpose may be called at any time by (1) the Board, (2) the President, or (3) five percent (5%) of the members.

If a special meeting is called by the members, it shall be by written request, specifying the general nature of the business proposed to be transacted and submitted to the President of the corporation. The President shall cause notice to be given promptly to the members entitled to vote. If the Board or President calls the meeting, the meeting date may be any date for which appropriate notice is given in accordance with subsections (d) and (e) below. If the meeting is called by anyone other than the Board or President, 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. 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. Written notice of any membership meeting shall be given, in accordance with these bylaws, to each voting member of the corporation. Subject to any additional requirements in law or these bylaws, the notice shall state the place, date and time of the meeting, the means of electronic transmission by and to the corporation (Corporations Code Sections 20 and 21) or electronic video screen communication, if any, by which members may participate in the meeting, and the general nature of the business to be transacted, and no other business may be transacted. The notice of any

meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to members.

(e) Manner of Giving Notice for Meetings. Except as otherwise provided in these bylaws or by law, notice of any meeting of members shall be given not less than 10 nor more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than 20 days before the meeting.

Notice of a members' meeting shall be given personally, by electronic transmission (Corporations Code sections 20 and 21), or by regular, bulk, or express mail service, addressed to a member at the address of the member appearing on the books of the corporation or given by the member to the corporation for purpose of notice; or if no such address appears or is given, at the place where the principal office of the corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal office is located. An affidavit of giving of any notice or report in accordance with the provisions section, executed by the Secretary, shall be prima facie evidence of the giving of the notice or report.

Notice given by electronic transmission by the corporation under this subdivision shall be valid only if it complies with Corporations Code Section 20.

Notwithstanding the foregoing, notice shall not be given by electronic transmission by the corporation after either of the following:

(1) The corporation is unable to deliver two consecutive notices to the member by that means.

(2) The inability to so deliver the notices to the member becomes known to the Secretary or other person responsible for the giving of the notice.

Section 13. Waiver of Notice 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 (1) a quorum is present, and (2) either before or after the meeting, each member who is not present in person, signs a written waiver of notice, a consent to 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. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes.

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

Section 14. Quorum. Twenty-five percent (25%) of the voting members shall constitute a quorum for the transaction of business at any meeting of members. Provided, however, that if any meeting of members is actually attended by less than one-third of the voting power, the only matters that may be voted on are those for which the general nature of the action was specified on the notice of the meeting.

Section 15. Loss of Quorum. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum (or by a greater number if required by law or by the articles of incorporation or these bylaws). Any meeting may be adjourned by a majority of those members in attendance, whether or not a quorum is present.

Section 16. Act of the Members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number is required by law, or by the articles or incorporation or these bylaws.

Section 17. Eligibility to Vote/Number of Votes. Members entitled to vote at any meeting of members shall be all those in good standing as of the date the vote is taken. Each member shall be entitled to one vote at any annual or special meeting of members.

Section 18. Proxies. Proxy voting is not allowed.

Section 19. Action by Written Ballot Without a Meeting. Any action that may be taken at any meeting of members, including the election of directors, may be taken without a meeting, by written ballot, by complying with the following procedure. Actions by written ballot may be conducted via electronic transmission if all required consent forms have been obtained by the corporation.

The President shall cause a ballot to be distributed to each member in the manner required by Section 12. All solicitations of votes by written ballot shall (1) indicate the number of members responding needed to meet the quorum requirement, (2) state the percentage of approvals necessary to pass the action or actions (or in the case of the election of directors, shall describe how winners are determined), and (3) specify the time by which the ballot must be received by the corporation in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide an opportunity to specify approval or disapproval of each proposal (or in the case of the election of directors, shall describe how the winners are determined), and (3) provide a reasonable time in which to return the ballot to the corporation.

Action by written ballot shall be valid only when (1) the number of members casting ballots within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting. Any additional requirements in the Nonprofit Public Benefit Corporation Law relative to the election of directors by written ballot shall also apply when applicable.

A written ballot may not be revoked. All written ballots shall be filed with the Secretary of the corporation and maintained in the corporate records for at least three years.

ARTICLE V.

BOARD OF DIRECTORS

Section 1. Powers.

(a) General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

(b) Specific Powers. Without prejudice to the general powers set forth in subsection (a) above, but subject to the same limitations, the directors shall have the right to do the following:

(1) Policies. Adopt policies, rules and procedures for the management and operation of the corporation.

(2) Administration. Retain an individual employee or consultant, or a management firm, or contract with another entity, to administer the day-to-day activities of the corporation. An individual retained pursuant to this authority shall be known as the CEO. The Board may also employ, retain, or authorize the employment of such other employees, independent contractors, agents, accountants, and legal counsel as it from time to time deems necessary or advisable in the interest of the corporation, prescribe their duties and fix their compensation.

(3) Bonds. May require officers, agents, and employees charged by the corporation with responsibility for the custody of any of its funds or negotiable instruments to give adequate bond.

(4) Borrowing money. 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, liens, and other evidences of debt and securities.

(5) Gifts. Receive and accept gifts, devises, bequests, donations, annuities, and endorsements of real and personal property, and use, hold and enjoy the same, both as to principal and income, and to invest and re-invest the same or any part thereof for the furtherance of any objects, interests or purposes of this corporation.

(6) Contributions. Make such contributions as the Board determines are necessary and advisable in furtherance of the interests and purposes of this corporation.

(7) Fiscal Year. Establish and change the fiscal year of the corporation.

(8) Seal. Adopt and use a corporate seal provided that the name of the corporation and the state are shown on it. The seal may be affixed to such instruments as the Board shall direct. However, the lack of a corporate seal shall not, by itself, affect the legality of any document executed on behalf of the corporation.

(9) Contracts. Enter into contracts and agreements with individuals and with public and private entities for the advancement of the purposes for which the corporation is organized.

(10) Property. Acquire, construct and possess real, personal, and intellectual property.

(11) Bank Accounts and Special Funds. Establish one or more bank accounts and/or special funds in order to accomplish and further the purposes of the corporation.

(12) Committees. Appoint committees as provided in these bylaws.

(13) Other. Do and perform all acts and exercise all powers incidental to, or in connection with, or deemed reasonably necessary for the proper implementation of the purposes of the corporation.

(c) Specific Duties.

(1) MANAGEMENT OF POOL, ESTABLISHMENT OF CONTRIBUTION

The Board shall fix contributions to the pool and supervise the finances of the pool and the pool's operation to the extent necessary to assure conformity with state law, the Member Agreement and the governing instruments of the pool.

The Board shall specify in writing the estimated total amount of each member's annual contribution to the pool to the governing body of each member at least 60 days prior to the beginning of the next fiscal year. The Board shall specify in writing the actual total of each member's annual contribution 30 days prior to the beginning of the next fiscal year.

The Board or the administrator shall not use any of the monies collected for any purpose unrelated to securing the members' liability or other rights and obligations under the Member Agreement and any administrative or other necessary expenses of the pool.

(2) RESERVES

The Board, or its designee, shall calculate the amount reasonably determined to be sufficient to provide for the payment of every loss or claim arising on or prior to the date of any annual or other statement, whether reported or unreported for which the pool is liable. The pool shall maintain a reserve liability in an amount estimated in the aggregate to provide for the payment of all such losses or claims and any expenses related thereto. This reserve shall in no event be less than \$1,000,000.00.

(3) PREMIUM REFUNDS

Any surplus assets (i.e. those assets in excess of the amount necessary to fulfill all obligations under the members' agreements) accumulated within the pool's fiscal year may be declared refundable by the Board. The Board shall establish the plan and the dates for payment of these excess assets.

Except as provided below, surplus assets accumulated within a pool year will be used exclusively for the benefit of those members belonging to the pool during the pool year. The accounting of the surplus for each pool year will provide for a separate itemization of the surplus for each pool year. The surplus assets of one pool year shall not be used to offset the deficiencies of other pool years except that the Board may provide that a specified percentage of a pool year's surplus be allocated to a restricted surplus account at the end of that year. The restricted surplus may be used for other pool years at the direction of the Board.

Section 2. Number and Qualification of Directors.

(a) Number. The Board shall consist of eleven (11) directors as follows: eight (8) directors elected by and from among the voting members, and three (3) directors appointed by the Board from any source.

(b) Qualifications. All directors must be individuals who are dedicated to the purposes of this corporation as set forth above.

(c) Restriction on Interested Persons as Directors. No more than 49% of the persons serving on the Board may be "interested persons". An "interested person" is:

(1) any person compensated by NPU VIP for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable reimbursement paid to an officer or director; and

(2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 3. Election/Appointment; Term of Office; Term limits. The eight elected directors shall be elected by and from among the voting members at the annual meeting of members or by written ballot as provided in Article IV. The three appointed directors shall be appointed by the Board at the annual Board meeting. The term of office for all directors shall be two years and until a successor has been elected/appointed and qualified. There shall be no limit on the number of terms a director may serve if he or she remains qualified and elected/appointed. The Board may stagger the terms of directors in any reasonable manner. The Board may adopt additional nomination and election procedures to more fully describe the nomination and election/appointment process.

Section 4. Removal of Directors. A director may be removed from the Board at any time, with or without cause, by a majority vote of the members at any properly called and noticed membership meeting where a quorum is present. Any director may also be removed from the Board, with or without cause, by a two-thirds (2/3) vote of the other directors on the Board.

Section 5. Vacancies on Board.

(a) Events Causing Vacancy. The vacancy or vacancies on the Board shall exist on the occurrence of the following:

- (1) The death or resignation of any director;
- (2) The removal of a director by the members or by the Board;
- (3) 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, convicted of a felony, or found by final order or judgment of any court to have breached a duty under the California Nonprofit Public Benefit Corporation Law; or
- (4) The increase of the authorized number of directors.

(b) Resignations. Except as provided below, any director may resign by giving written notice to the President, the CEO, or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. Except on notice to the Attorney General of California, no director may resign if the corporation would be left without a duly appointed director or directors.

(c) Filling Vacancies. Vacancies on the Board may be filled by the Board at any properly called and noticed meeting where a quorum is present.

(d) 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.

Section 6. Board Meetings.

(a) Annual Meeting. The Board shall hold an annual meeting at a time and place determined by the Board for purposes of organization, election of directors and officers, and transaction of other business. Notice of the annual meeting shall be given in accordance with subsection (c) below.

(b) Special Meetings. Special meetings of the Board for any purpose may be called at any time by the President, the CEO, if any, or any two directors. Notice of any special meeting shall be given in accordance with subsection (c) below.

(c) Notice. Notice of meetings of the Board, specifying the time and place of the meeting, shall be given to each director at least four (4) days before the meeting if sent by first-class mail or express mail service, or forty-eight (48) hours before the meeting if personally delivered or delivered by telephone (including a voice messaging system), or by electronic transmission by the corporation (Corporations Code Section 20).

Notice shall be deemed delivered when deposited in the U.S. mail or with an express mail service, postage prepaid, or when received if delivered personally or by telephone, or on its confirmation of delivery if by electronic transmission.

A notice, or waiver of notice, need not specify the purpose of any meeting of the board.

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

(e) Meetings by Telephone or Video Conference or by Electronic Transmission. Directors may participate in a meeting of the Board through use of conference telephone, electronic video screen communication, or electronic transmission by and to the corporation (Corporation Code Sections 20 and 21).

Participation in a meeting through use of conference telephone or electronic video screen communication constitutes presence in person at that meeting as long as all directors participating in the meeting are able to hear one another.

Participation in a meeting through use of electronic transmission by and to the corporation, other than conference telephone and electronic video screen communication, constitutes presence in person at that meeting if both of the following apply:

(1) Each director participating in the meeting can communicate with all of the other directors concurrently.

(2) Each director is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(f) Quorum/Act of the Board. A majority of the voting directors shall constitute a quorum for the transaction of business, except to adjourn. Except as specifically provided in these bylaws or in the California Nonprofit Public Benefit Corporation Law, every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board. 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) 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 meeting. 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.

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

(i) 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 twenty-four hours. If the original meeting is adjourned for more than twenty-four 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.

(j) Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings. An action by written consent shall have the same force and effect as a unanimous vote of the directors.

(k) Voting Power. For all purposes, the voting power of each voting director shall be one vote.

Section 7. Compensation and Reimbursement. Directors shall not receive compensation for their services on the Board. Directors may receive such reimbursement of expenses as the Board may determine by resolution to be fair and reasonable at the time that the resolution is adopted.

Section 8. Property Rights. No director shall have any property rights in any assets of the corporation.

ARTICLE VI.

OFFICERS

Section 1. Officers of the Corporation. The elected officers of the corporation shall be a President, Vice-President, Secretary, and Treasurer. The CEO, if any, shall be an officer of the corporation, but not an "elected officer". All officers, except for the CEO, if any, must be directors.

Section 2. Election of Officers. The elected officers of the corporation shall be elected by the Board from among its directors at the annual meeting.

Section 3. Terms of Office; Term Limits. Officers shall serve at the pleasure of the Board for one-year terms. There is no limit on the number of terms an officer may serve if he or she is a director and continues to be elected to an officer position by the Board.

Section 4. Removal of Officers. Any elected officer may be removed at any time, with or without cause, by a 2/3 vote of the Board at any properly called meeting where a quorum is present.

Section 5. Resignation of Officers. An officer may resign at any time by giving written notice to the President or Secretary of NPU VIP. 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.

Section 6. Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by a majority vote of the directors present at any annual or special meeting of the Board where a quorum is present. The individual filling a vacant officer position shall serve until the end of the term of the officer whose vacancy he or she is filling.

Section 7. Responsibilities of Officers.

(a) President. The President of the Board shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no CEO, the President of the Board shall also be the Chief Executive Officer and shall have the powers and duties of the CEO of the corporation prescribed by these Bylaws.

(b) Vice-President. If the President is absent or disabled, the Vice-President shall perform all duties of the President. When so acting, the Vice-President shall have all powers of and be subject to all restrictions on the President. The Vice-President shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(c) Secretary.

(i) 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, and committees of the Board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual or special, and, if special, how authorized, the notice given, and the names of those present at the Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and the Bylaws, as amended to date.

(ii) Notices, Seal, and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board and of its committees required by these Bylaws. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(iii) If both the President and the Vice-President are absent or unable to serve, or if there is no Vice-President and the President is absent or unable to serve, the Secretary shall perform all the duties of the President. When so acting, the Secretary shall have all powers of and be subject to all restrictions on the President.

(d) Treasurer.

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

(ii) 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 disperse the corporation's funds as the Board may order, shall render to the President, the CEO, if any, and the Board, when requested, an account of all transactions as Treasurer 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.

(e) CEO. The CEO shall be the chief executive officer and general manager of NPU VIP and shall supervise, direct, and control the corporation's day-to-day activities, affairs, and administration. The CEO shall keep the Board apprised of significant matters relating to the operation of the corporation, its activities, employees, contractors, and financial condition. The CEO shall have such other powers and duties as the Board or the Bylaws may prescribe.

ARTICLE VII.

COMMITTEES

Section 1. Committees of the Board. The Board, by resolution, may create one or more committees of the Board, each consisting of two or more directors *and no persons who are not directors*, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by a majority vote of the directors then in office. 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) Fill vacancies on the Board or on any committee that has the authority of the Board;
- (b) Fix compensation of the directors for serving on the Board or on any committee;
- (c) Amend or repeal Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (e) Create any other committees of the Board or appoint the members of committees of the Board; or
- (f) Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.

Section 2. Executive Committee. The Executive Committee shall be a standing committee of the Board, composed of the President, Vice-President, Secretary, and Treasurer. The President of NPU VIP shall be the Chairperson of the Executive Committee.

The Executive Committee may meet and take action on any matter not prohibited by law when the urgency of the decision requires action prior to the next Board meeting or, in those cases where the importance of the matter is not sufficient to warrant calling a special meeting. The Executive Committee may also develop policies for Board approval, review and recommend to the Board changes in the bylaws, and review personnel and other operating policies.

Section 3. Notice Requirements for Committees of the Board. Written notice requirements for meetings of committees of the Board shall be the same as for Board meetings as described in Article V.

Section 4. Quorum for Committees of the Board. A majority of the voting members of any committee of the Board shall constitute a quorum, and the acts of a majority of the voting members present at a meeting at which a quorum is present shall constitute the act or recommendation of the committee.

Section 5. Advisory Committees. The Board may also establish advisory committees composed of one or more directors and any number of other interested persons who are not directors. Advisory committees shall provide advice and recommendations to the Board but shall not have the authority of the Board or any final decision making authority.

Section 6. Meetings by Telephone or Video Conference or by Electronic Transmission. Any meeting of a committee may be held by telephone or video conference or by electronic transmission in the same manner provided for in Article V of these bylaws.

ARTICLE VIII.

LIABILITY, INDEMNIFICATION, AND INSURANCE

Section 1. Liability. No volunteer director or officer shall be liable to third parties if the volunteer director or officer has met the requirements for good faith performance of his or her duties prescribed by the California Nonprofit Public Benefit Corporation Law and the corporation has met its duties relative to insurance required by the California Nonprofit Public Benefit Corporation Law.

Section 2. Right of Indemnity. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238(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 5238(a) of the California Corporations Code.

Section 3. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

Section 4. 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 pursuant to these Bylaws in defending any proceeding covered by such indemnification 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.

Section 5. Insurance. The Board shall authorize the purchase and maintenance of an insurance policy or policies on behalf of its directors, officers, and employees against any liabilities, other than for violating provisions against self-dealing, incurred by the director,

officer, or employee in such capacity or arising out of their status as such. Such policy shall meet the requirements set forth in Corporations Code Section 5239.

ARTICLE IX.

RECORDS AND REPORTS

Section 1. Maintenance of Corporate Records. The corporation shall keep:

- (a) Adequate corporate books and records of account;
- (b) Written minutes of the proceeding of its Board and committees of the Board;
and
- (c) A record of each director's name, address, telephone number, facsimile number, and electronic mail address, if any.

Section 2. Maintenance 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.

Section 3. Inspection by Members and Directors. Every member and director shall have the right to inspect the corporation's books, records, and documents to the extent allowed by the California Nonprofit Public Benefit Corporation Law.

Section 4. Annual Report. The Board shall cause an annual report to be sent to directors within 120 days after the end of the corporation's fiscal year. That report should contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds.
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes.
- (d) The expenses or disbursements of the corporation for both general and restricted purposes.
- (e) Any information required by Section 5 of this article.

The annual report shall be accompanied by any report of independent accountants or, if there is no such report, by the certificate of an authorized officer of the corporation that such statement were prepared without audit from the corporation's books and records.

This requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors who request it in writing.

Section 5. Annual Statement of Certain Transactions and Indemnifications.

If any of the following types of transactions or indemnifications occurred during the previous fiscal year, then as part of the annual report to all directors, or as a separate document if no annual report is issued, the corporation shall prepare and mail or deliver to each director a statement of any such transaction or indemnification within 120 days after the end of the corporation's fiscal year:

- (a) Any transaction:
 - (i) in which the corporation, its parent or its subsidiary was a party,
 - (ii) in which an "interested person" had a direct or indirect material financial interest, and
 - (iii) which involved more than \$50,000, or was one of a number of transactions with the same "interested person" involving, in the aggregate, more than \$50,000.

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

(b) Any indemnifications or advances aggregating more than \$10,000 which were paid during the fiscal year to any officer or director of the corporation.

ARTICLE X.

MISCELLANEOUS

Section 1. Fiscal Year. Unless changed by the Board, the fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

Section 2. Conflicts of Interest. Board members and committee members must actively seek to avoid situations and activities that create an actual or potential conflict between the individual's personal interests and the interests of the corporation. If a Board member or committee member believes that a conflict exists relative to a particular issue being considered by the Board or any committee, he or she shall disclose the conflict to the Board or committee, as appropriate, and abstain from discussion or voting on the issue.

For purposes of this section and these bylaws, a "conflict of interest" means a situation in which a board or committee member is part of a discussion or decision by the board or a committee which has the potential to financially benefit that board or committee member or a member of that board or committee member's immediate family. "Immediate family" means, spouse or same-sex/domestic partner, children, parents, siblings, parents-in-law, or siblings-in-law.

Both the fact and the appearance of a conflict of interest should be avoided. Board members or committee members who are unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with the President,

who will determine whether disclosure to the Board or the assistance of legal counsel is required.

Section 3. Intellectual Property. All intellectual property prepared or purchased by or on behalf of the corporation, including but not limited to newsletters, educational, promotional, and training materials, contracts, trade names, logos, service marks, contributor lists, and research results, shall be the exclusive property of the corporation and Board members agree to deal with it as such. Board members agree that they will not sell, transfer, publish, modify, distribute, or use for their own purposes, the intellectual property belonging to the corporation without the prior approval of the Board memorialized in a writing signed by the President.

Section 4. Required Filings and Disclosures. The Board shall ensure that the required filings are made at applicable state and federal agencies, including but not necessarily limited to filings required by the Secretary of State, the Attorney General's office, the Internal Revenue Service, and the Franchise Tax Board.

NPU VIP shall also comply with the disclosure requirements of federal and state agencies to which it is subject. Requirements which may be applicable to NPU VIP include but are not necessarily limited to: making NPU VIP's annual exempt organization filings available to the public, and registering with the Attorney General's office in California.

Section 5. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular includes the plural, the plural includes the singular, the masculine includes the feminine and neuter, and the term "person" includes both an individual and an entity.

ARTICLE XI.

ADOPTION/AMENDMENTS

Section 1. These bylaws may be amended, or repealed and new bylaws adopted, by the Board at any annual, regular, or special board meeting where a quorum is present. However, approval of the members is also required for any amendment or for new bylaws that would:

- (a) Materially and adversely affect the members' rights as to voting or dissolution;
- (b) Effect an exchange, reclassification, or cancellation of all or part of the memberships;
- (c) Authorize a new class of membership;
- (d) Change the number of authorized directors;
- (e) Change from a fixed number of directors to a variable number of directors, or vice versa;
- (f) Increase or extend the terms of directors;
- (g) Allow any director to hold office by designation or selection rather than by election by the members;
- (h) Increase the quorum for members' meetings; or
- (i) Repeal, restrict, create, expand, or otherwise change proxy rights.

ARTICLE XII.

DISSOLUTION

Section 1. Voluntary Dissolution by Vote. The corporation may be voluntarily dissolved at any time by a 2/3 vote of the members present and voting at a properly called and noticed membership meeting where a quorum is present. If the voting members approve the dissolution, the Board shall promptly cease operations and proceed to wind up and dissolve the corporation.

Section 2. Remaining Assets. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to nonprofit organizations which are organized and operated exclusively for charitable purposes and which have established their tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of NONPROFITS' UNITED, a California nonprofit public benefit corporation, that the above Bylaws, consisting of 20 typewritten pages including this page, are the Bylaws of this corporation as approved by the Board of Directors on December 9, 2010, and by the voting members on January 31, 2011, and that they have not been amended or modified since that date.

Executed on the _____ day of _____, 2011 at
_____, California.

Kitty Wilson, Secretary