

BYLAWS OF DAVIS COMMUNITY NETWORK

A California Nonprofit Public Benefit Corporation

The name of this corporation is Davis Community Network (DCN).

I. Offices of the Corporation

A. Principal Office

The principal office for the transaction of the activities and affairs of the corporation (principal office) is located at 1623 Fifth Street, Davis in Yolo County, California. The Board of Directors (hereafter, "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.

II. Purposes and Limitations

A. General Purposes

The purpose of the Davis Community Network is to assist the citizens of the City of Davis and surrounding areas in using local Internet-based digital information resources by creating, brokering, facilitating and holding those information resources in the community interest.

No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in section 501(h) of the Internal Revenue Code of 1986, and this corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for public office.

B. Specific Purposes

This corporation shall have no statutory members.

III. The Board of Directors

A. Number and Qualification of Directors

The Board of Directors shall consist of at least 12 but no more than 17 Directors until changed by amendment to these bylaws. Board members must be at least 18 years of age. Two-thirds of the members of the Board must be residents of the City of Davis.

B. Recruitment and Selection; Procedures

In November of each year, the Board of Directors shall appoint a nominating committee composed of at least two Board members and at least one other who is not a member of the Board, but who volunteers time to DCN. The nominating committee shall solicit recommendations from the standing committees and from organizational stakeholders of DCN, shall consider including candidates from outside the organization who can bring special skills and expertise or community, business or organizational ties which would benefit DCN, and shall also consider self-identified candidates for membership on the Board. The committee shall post, at least three weeks before the January Board meeting to select candidates, an electronic notice of the vacancy, soliciting interested applicants. The nominating committee shall submit to each existing Board member, prior to the regular January meeting, the slate of candidates qualified sufficient to fill the existing and new vacancies on the Board. The slate shall reflect each candidate's work, outside affiliation(s), and other pertinent information. Each prospect approved by the nominating committee may be asked to complete an application for Board membership in a form approved by the Board from time to time.

A two-thirds vote of the quorum of the Board shall be required to extend applicants an offer to join the Board. On his or her acceptance in writing, that applicant shall become a voting member of the Board.

1. Upon the resignation or removal of a Board member during the year, a nominating committee shall be formed at the next regular meeting or at a special meeting held for this purpose. The Board shall hold a vote to elect a replacement member at a following appropriate meeting of the Board pursuant to the procedure just described.

2. In selection of members of the Board, there shall be no discrimination based on sex, age, race, religion, disability, sexual preference or ethnic origin. The first consideration in identifying and selecting Board members shall be the qualifications of the prospective candidates and what they can contribute to DCN; as a secondary consideration, the nominating committee and Board shall endeavor to maintain a diverse Board. No member of DCN's paid staff shall serve as a member of the Board.

C. Terms of Office.

The terms of office of members of the Board regularly selected in February shall be two years from the date of that first Board meeting in February. A Board member who is accepted at the outset of a meeting shall be eligible to sit at that meeting. The term of office of a Board member selected to fill a vacancy created by the departure of another Board member before the regular expiration of the departing member's term shall be as follows: if the remaining term of the departing member would have been three months or less, then the term shall be two years from the next February meeting; if the remaining term would have been longer than three months, then it shall be one year from the next February meeting. All terms will end in February.

D. Removal For Cause

Any member of the Board of Directors may be suspended or removed for cause by a two-thirds vote of all the members of the Board.

E. Vacancies on Board

1. Events Causing Vacancy

Any of the following events will cause a vacancy or vacancies to be declared in Board membership: (a) the death or resignation of a director; (b) the declaration by Board resolution 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, found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law, or removed for cause by action of the Board; (c) an increase in the authorized number of Directors; (d) the failure of the Board, at any meeting of the Board at which a director or Directors are to be elected, to elect the number of Directors required to be elected at such meeting; (e) the absence without cause of a Board member at three consecutive Board meetings.

2. Resignations

Except as provided below, any director may resign by giving written notice to the president or the secretary of the Board. The resignation shall be effective 60 days after giving notice, unless the 60 day period is waived by the Board for good cause shown, or the resignation shall be effective on a later date if so specified in the notice. If a director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective or at such earlier time as the Board may determine (at which time the resigning director's term shall end). Except on notice to the Attorney General of California, no director may resign if the corporation would be left without a duly elected director or Directors.

3. Filling Vacancies

Vacancies on the Board may be filled by two-thirds of the Directors then in office, whether or not less than a quorum, or by a sole remaining director, under the election process set forth above.

4. No Vacancy On Reduction of Number of Directors

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

5. Leaves of Absence

The Board may grant, upon request, a leave of absence for up to 12 months. The Member's term of office shall remain unchanged. The Board may at any time terminate leave if the absence becomes a hardship on the Board, at which time the Director on leave will have one month to decide whether to become active or to resign. Directors on leave will not count for purposes of determining a quorum. No more than two Directors may be on leave at any one time.

F. Restriction on Interested Persons as Directors; Financial Interests; Conflicts of Interest

1. Interested Persons

No more than 49 percent of the persons serving on the Board may be "interested persons" as defined herein. An interested person is: (a) any person compensated, directly or indirectly, by the corporation for services rendered by that person or the person's employer, partner, or other entity

in which the person has a significant financial stake, provided the compensation was made to the interested person within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

Within 30 days after adoption of these bylaws for existing Board members and upon any person's application for Board membership thereafter, the member or prospective member shall declare in writing whether he/she is or is not an "interested person" as defined herein, and in the event he/she is an "interested person," shall identify the source of compensation.

2. Financial Interest

When any matter comes to the Board for consideration which affects the financial or employment interest of a director or a relative of that director as specified in subdivision 1 above, that director must disclose the interest at the meeting or by electronic or written notice to the other Board members, and shall refrain from voting on the matter.

3. Conflicts of Interest

No person with a conflict of interest, as defined, shall be qualified to be a member of the Board. A "conflict of interest" is defined as that person or the person's employer, partner, or other entity in which the person has a significant financial stake, receiving compensation, directly or indirectly from, or otherwise having a financial interest in, another organization or person, whether commercial or non-profit, offering services in significant competition with DCN. The term, "significant competition," may be defined from time to time by resolution of the Board. Any member of the Board who acquires a conflict of interest as herein defined shall report the conflict to the Board in writing and shall immediately tender his/her resignation.

G. Powers

1. 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.

2. Specific Powers

Without prejudice to the general powers set forth in Section 1 of this article, but subject to the same limitations, the Directors shall have the power to:

- (a) Elect and remove for cause the corporations officers as provided herein, and remove, at the pleasure of the Board, all the corporation's agents, and employees; prescribe powers and duties for the officers, agents and employees that are consistent with 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 and conduct its activities within or outside California.
- (c) Adopt and use a corporate seal.
- (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.

H. Directors' Meetings

1. Place of Meetings

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

2. Meetings by Telephone or Other Electronic Means

Any meeting may be held by conference telephone or similar communication equipment, or via simultaneous on-line forum or video conference. All participating Directors shall be deemed to be present in person at such a meeting.

3. Other Regular Meetings

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

4. Special Meetings

a. Authority To Call

Special meetings of the Board for any purpose may be called at any time by the chair of the Board, if any, the president or any vice president, or the secretary or any two Directors.

b. Notice

(1) Manner of Giving Notice

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

(2) Time Requirements

Notices sent by first-class mail shall be deposited in the United States mails at least four days before the time set for the meeting. Notices given by electronic mail, personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

(3) Notice Contents

The notice shall state the time of the meeting, the place if the place is other than the principal office of the corporation, and must specify the purpose of the meeting.

5. Quorum

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present 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 Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common Directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

6. Waiver of Notice

Notice of a meeting need not be given to any director who, either before or after the meeting, signs or sends an electronic 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.

7. Adjournment

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

8. Notice of Adjourned Meeting

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

9. Closed Meetings.

All meetings of the Board shall be open to the public unless otherwise specified in the notice, provided that the Board may go into executive session and close any meeting to the public by majority vote of those members present.

I. Action Without a Meeting

The Board may take action without a meeting under the following circumstances. If the proposed action was taken up and discussed at a regular or special meeting, action may be taken with 48 hour notice, electronic or written. If the proposed action was not announced and discussed at a meeting, action may be taken upon recommendation of the Executive Committee and after four days prior electronic or written notice of the complete proposal and intended action. Two such notices shall be sent, at least 24 hours apart. The consent of a majority of the Board, as it is constituted at the time of the proposed action, shall be required to approve an action without a meeting, provided, however, that a director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested director" as defined in section 5233 of the California Corporations Code cannot vote, although he or she shall receive prior notice of the intended action. The Secretary of the Corporation shall ensure proper security and authentication of identity of all participants in an action without a meeting. Such action by consent shall have the same force and effect as any other validly approved action of the Board. All such consents, or a paper copy of an electronic message showing consent, shall be filed with the minutes of the proceedings of the Board.

J. Compensation and Reimbursement

Directors and members of committees may receive such compensation, if any, for their services as Directors or officers, and such reimbursement of expenses, as the Board may determine by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

IV. Standing Committees

A. Designation of Committees

There shall be four standing committees of the corporation, these committees are Finance and Fund Development, Information Providers, Technical Operations, Public Education/Marketing.

The Board may create and dissolve standing other committees of the corporation.

B. Authority of the Standing Committees

Each standing committee of the corporation shall be primarily responsible for operational decisions and implementation within its area of responsibility, subject to supervision and control by Executive Director, the President and/or the Board of Directors. Each of the standing committees may establish its own internal rules of operation and procedure and establish its own meeting place and meeting schedule, subject to the provisions of these bylaws and to supervision and control

by the Board. Each standing committee shall regularly report on its activities and recommendations to the Board or its designee, including the Executive Director, and coordinate with the other committees of the Board, whether standing or special committees. The Board of Directors may take up and review any decision or activity of any committee, and may delegate or withhold authority to act on any matter within the purview of that committee.

The standing committees may adopt their own rules for decision-making (some form of decision-making by consensus is encouraged).

Minutes of each meeting of the standing committees shall be kept and shall be filed with the corporate records, and a copy shall be maintained in electronic form and made available for review by members of the Board and subscribers to DCN. The Board may adopt rules for the government of any committee, provided they are consistent with these bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

C. Membership in Standing Committees

Any person may apply for membership to one or more standing committees. Standing committees may establish reasonable qualifications for membership on the committee, subject to mandatory

review and approval by the Board. A standing committee may propose to limit its membership to a specified number, but such a limitation must be approved by the Board and may be thereafter modified or removed by action of the Board. A committee may also establish reasonable meeting attendance and electronic participation requirements for committee members.

A standing committee may suspend or terminate a member of the committee, other than a Board representative, for non-participation, violation of committee rules and procedures, or other cause, upon prior written/electronic notice and an opportunity to respond. A suspended or terminated member may seek review of the committee's action in writing before the Board of Directors. A

Board representative from a standing committee may only be suspended or terminated from the committee by action of a majority of the Board of Directors.

Each standing committee shall maintain a roster of its members and furnish an up-to-date roster to the secretary of the corporation at quarterly intervals, by January 15th, April 15th, July 15th and October 15th of each year.

D. Chairs of Standing Committees.

Each standing committee may elect its own chairperson, subject to final approval by the Board. A majority of the committee members of record may remove from his/her position a chairperson for cause, subject to final approval by the Board.

E. Actions Beyond the Authority of the Standing Committees.

No committee, regardless of Board resolution, may:

- (1) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, requires approval of the Board;
- (2) Fix compensation of the Directors for serving on the Board or on any committee;
- (3) Amend or repeal bylaws or adopt new bylaws;
- (4) Amend or repeal any resolution of the Board;
- (5) Create any other committees of the Board or appoint the members of other committees of the Board; however, this provision does not restrict a standing committee's authority to create subcommittees and special committees in furtherance of that standing committee's responsibilities;
- (6) Expend corporate funds to support a nominee for director; or
- (7) 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.

F. Subcommittees

The standing committees may at any time create ad hoc or subcommittees to further their activities within their areas of responsibility, subject to supervision and control by the Board.

V. Special Committees of the Board

The Board, by resolution adopted by consensus or a majority of the Directors present at a meeting, provided a quorum is present, may create one or more special committees each

consisting of one or more Directors and other persons who are members of the corporation, to serve at the pleasure of the Board. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may take any action proscribed for standing committees as set forth in article V, section E, above.

VI. Officers

A. Officers of the Corporation

The officers of the corporation shall be a president, a vice-president, a secretary, and a chief financial officer. The officers shall be members of the Board. No person may hold more than one office at a time.

B. Chief Financial Officer

The chief financial officer of the corporation shall be serve as the chairman of the finance committee.

C. Nominations

At or before the December Board meeting each year, the president shall appoint a nominating committee for officer positions. The nominating committee shall be composed of one or more officers, at least one other Board member, and one other who volunteers time to DCN and is not a member of the Board of DCN. The nominating committee shall solicit suitable candidates for the officer positions and shall also receive applications from self-identified candidates from the Board. The nominating committee shall submit to the Board, prior to the regular Board meeting in January, the slate of candidates for officer positions.

D. Election of Officers

The officers of the corporation and those appointed under section D of this article of these bylaws shall be chosen annually by the Board and shall serve for an annual term, subject to removal as provided by section E of this article. Officers shall be elected at the regular meeting in January each year. The terms of new officers shall commence effective on the day of the next regular meeting of the Board in February of each year, or February 28th if there is no meeting.

E. Other Officers

The Board may appoint and may authorize 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.

F. Removal of Officers

Without prejudice to any rights of an officer under any contract of employment, the president, vice-president, secretary and chief financial officers may be removed for cause by two-thirds vote of all members of the Board, the subject officer being ineligible to vote on the matter, and any other 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.

G. Resignation of Officers

Any officer may resign at any time by giving written notice to the corporation. The resignation shall be effective 60 days after giving notice, unless the 60 day period is waived by the Board for good cause shown, or the resignation shall be effective on a later date if so specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

H. Vacancies in Office

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be immediately filled, in the manner prescribed in these bylaws for regular appointments to that office. The term of office of an officer selected to fill a vacancy shall commence effective on the day of the next regular meeting of the Board in June of each year, or June 30th if there is no meeting.

I. Responsibilities of Officers

1. President

Subject to the supervisory powers of the Board, the president shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers, except to the extent those duties have been delegated or assigned to the Executive Director. The president, or in his or her absence, the Vice-President, or if necessary the Secretary or Chief Financial Officer, shall preside at all Board meetings. The president shall have such other powers and duties as the Board or the bylaws may prescribe.

2. Vice President

If the president is absent or disabled, the vice president shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

3. Secretary

a. Record 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 record of minutes of all meetings, proceedings, and actions of the Board. An electronic file or files may constitute the record of minutes, although a paper copy shall also be maintained. The minutes of meetings shall include the time and place that the meeting was held, 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. The Executive Director or, if none, 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. Notices, Seal, and Other Duties

The president or designee shall give, or cause to be given, notice of all meetings 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.

4. Chief Financial Officer

a. Books of Account

The chief financial officer shall keep and maintain, or cause to be kept and maintained by the Executive Director, adequate and correct books and accounts of the corporation's properties and transactions. The chief financial officer 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 or officer at all reasonable times.

b. Deposit and Disbursement of Money and Valuables

The chief financial officer or the Executive Director under his or her supervision shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Board may designate, shall disburse the corporation's funds as the Board may order, shall render to the president, 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 chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

5. The Executive Committee

The executive committee shall be composed of the president, vice-president, secretary, chief financial officer, and the Immediate Past President, if that person remains as a member of the Board. The executive committee shall set the agenda for the regular meetings of the Board, subject to approval by the Board, and shall act on behalf of the Board on matters requiring immediate attention, subject to such restrictions as the Board may from time to time impose, and provided that the executive committee shall not commit the corporation, without prior specific approval of the Board, to an obligation of more than \$15,000. The executive committee shall be responsible for managing the executive director, subject to direction from the Board. In the absence of an executive director, the executive committee shall be responsible for managing staff personnel of DCN including such matters as hiring, supervision and termination of employees.

VII. Executive Director

The Board of Directors may hire an executive director to manage and direct the day-to-day activities of the corporation, and to implement the objectives and goals of the organization as they are established by the Board. The executive director shall coordinate and supervise the work of standing and special committees of the Board, and shall manage staff personnel of DCN, including authority in such matters as hiring, supervision and termination of employees. The executive director may, as necessary for the operations of the organization, commit DCN to expenditures not to exceed \$2,000.

VIII. 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 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.

B. 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. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting those Board members who are not so disqualified, a majority of which shall 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 members present at the meeting in person or by proxy shall authorize indemnification. If no Board members can act, then those officers of the corporation shall meet and a majority of the officers who are qualified may act as set forth here.

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 subdivision A of this article 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.

IX. 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.

X. Records and Reports

A. Maintenance of Corporate Records

The corporation shall keep:

- (1) Adequate and correct books and records of account;
- (2) Written minutes of the proceedings of its Board and committees of the Board; and

B. 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 all subscribers 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 subscriber, furnish to that member a copy of the articles of incorporation and bylaws, as amended to date.

C. Inspection by Directors and Officer

Every director and officer shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of

each of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

D. Annual Report

The executive director, or if none the President, shall prepare an annual report to be presented or sent to the Directors within in 60 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (2) The principal changes in assets and liabilities, including trust funds.
- (3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes.
- (4) The expenses or disbursements of the corporation for both general and restricted purposes.
- (5) Any information required by section F of this article of these bylaws.

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

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

E. Annual Statement of Certain Transactions and Indemnifications

As part of the annual report or as a separate document if no annual report is issued, the corporation shall annually prepare and mail or deliver to each director, and make available for review by any subscriber, a statement of any transaction or indemnification of the following kind within 120 days after the end of the corporation's fiscal year:

- (1) 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. For this purpose, an "interested person" is either of the following:
 - (a) Any director or officer of the corporation, its parent, or subsidiary (but mere common Directorship shall not be considered such an interest); or
 - (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, 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.

(2) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under subdivisions A through C of this article.

XI. Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

XII. Amendments

Subject to the limitations set forth below, the Board may adopt, amend, or repeal bylaws by a two-thirds majority of the quorum.

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

XIII. Dedication and Dissolution

The assets and property of this organization are irrevocably dedicated to charitable and educational purposes meeting the requirements for exemption provided by section 214 of the Revenue and Taxation Code.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Davis Community Network, a California nonprofit public benefit corporation, that the above bylaws, consisting of 14 pages, are the bylaws of this corporation as adopted by the Board of Directors on May 16, 2000 and amended on January 16 2001 (Article III), and February 20 2001 (Article XIII).

Executed on (February 1), 2002 at Davis, California.

Signed: R. Anne Hance
Secretary