BY LAWS

OF THE

NATIONAL STORAGE INDUSTRY CONSORTIUM

A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

ARTICLE I
NAME, OFFICES AND PURPOSES

Section 1.01. Name. The corporation shall be known as the National Storage Industry Consortium.

Section 1.02. Principal Office. The corporation's principal office shall be fixed and located at such place as the Board of Directors (the "Board") shall determine. The Board is granted full power and authority to change said principal office from one location to another.

Section 1.03. Other Offices. Branch or subordinate offices may be established at any time by the Board at any place or places.

Section 1.04. Purposes; Limitations.

(a) The corporation's specific purpose is to identify pre-competitive, generic information storage technology challenges that are common to the information storage industry and to promote the collection and analysis of basic engineering research information concerning these challenges. The corporation shall promote such basis engineering research by fostering the establishment of a variety of research projects involving universities. The corporation shall enlist sponsorship for joint research projects, including project funding and staffing, from its members and from governmental agencies. Such research shall be conducted to further the growth and technical vitality of the United States information storage industry.

(b) The corporation shall have no involvement in individual member activities regarding the design or marketing of particular information storage products. Accordingly, the corporation shall not consider matters relating to development, marketing, servicing or pricing of products, including information storage products, of the members.

(c) Notwithstanding the other provisions of these Bylaws, the corporation is organized, and shall be operated so as to qualify, as a "joint research and development venture" within the meaning of Section 2 of the National Cooperative Research Act of 1984, 15 U.S.C. § 4301. Accordingly, the corporation shall not engage in any activity involving two or more members or other persons for:

(1) the exchange of information among competitors relating to costs, sales, profitability, prices, marketing or distribution of any product, process or service;

(2) the entry into any agreement or the engagement in any other conduct restricting, requiring or otherwise involving the production or marketing by any member of any product, process or service; and

(3) the entry into any agreement of the engagement in any other conduct (i) to restrict or require the sale, licensing or sharing of inventions or developments not developed through the corporation or (ii) to restrict or require participation by such party in other research and development activities.

ARTICLE II
MEMBERSHIP

Section 2.01. Classes and Qualifications of Members.

(a) There shall be one class of members. Members of the corporation shall be those persons, firms, corporations or associations who have paid a membership fee, as determined by the Board, and whose application for membership has been approved by the Board.

(b) Memberships shall not be divisible. Only one membership may be held by any "control group." A "control group" shall consist of a member and all other corporations, partnerships, organizations and other entities that control, are controlled by or are under common control with a member, as determined by the Board.

(c) Only those corporations, companies, firms, organizations, departments or other entities either (i) meeting criteria for admission to membership as shall from time to time be established by the Board, (ii) that are governmental agencies conducting research and development of storage technologies and/or systems or (iii) satisfying all of the following criteria shall be admitted as members:

(1) Engages in research, development, manufacture, and/or integration of storage systems and/or components;

(2) Performs a substantial portion of its storage research and development activities within North America; and

(3) Is eligible to receive United States Federal research and development funds as determined by all of the Federal agencies which provide or may provide funds to the corporation.

(d) Each member shall have the right to vote, as set forth in Section 2.02 of these Bylaws, for the election of directors and on a disposition of substantially all of the assets of the corporation and on a merger and on a dissolution. In addition, members shall have all of the rights afforded members under the California Nonprofit Mutual Benefit Corporation Law (the "Law").

(e) Nothing in this Section 2.01 shall be construed as limiting the right of the corporation to refer to persons or entities associated with it as "members" even though such persons or entities are not members as defined in this Section 2.01, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the Law or the foregoing provisions of this Section 2.01, unless such persons or entities shall have applied and been approved for membership as set forth in this Section 2.01. The corporation may confer by amendment of the corporations' Articles of Incorporation (the "Articles") or of these Bylaws some or all of the rights of a member upon any person or entity who does not have the right to vote on any of the matters set forth in Section 2.01(d), but no such person or entity shall be a member within the meaning of said Section 5056.

(f) The corporation shall also have a class of associate members, pursuant to Section 2.01(e), which shall have none of the voting rights specified in Section 2.01(d). An associate member may be any university, college, not-for-profit corporation, national laboratory, or other United States government organization which in the sole judgment of the Board is a significant user and/or integrator of storage systems or performs significant research in and/or development of storage technologies and systems; which constitutes an entity which is separately identifiable and reasonably autonomous from other associate members; and, which meets other criteria as established from time to time by the Board. Each associate member shall be entitled to maintain a liaison relationship with NSIC to promote, facilitate, and coordinate the exchange and dissemination of information, collaborative research, grants and contracts, educational and professional development of personnel, development and use of standards, and access to information concerning research grants and contracts. References in these Bylaws to "members" shall not include associate members unless otherwise clearly required by the context.

Section 2.02. Voting Rights. Subject to the provisions of Section 7612 of the Law and Section 2.13 of these Bylaws, each member shall be entitled to one vote on each matter submitted to a vote of the members. Members who are not in good standing, as set forth in Section 2.06 of these Bylaws, or who are suspended or expelled pursuant to Section 2.05 of these Bylaws, shall not be entitled to vote on any matter.

Section 2.03. Membership Fees and Dues. Each member shall pay a membership fee and periodic dues and assessments in such amounts and at such times as shall be determined by the Board. A member upon learning of any dues, assessments or fees may avoid liability therefrom by promptly resigning from membership, except where the member is liable for them by contract or otherwise.

Section 2.04. Transfer of Membership. The Board may provide for the transfer of memberships, subject to such restrictions or limitations as the Board deems appropriate, including transfer upon death, dissolution, merger or reorganization.

Section 2.05. Resignation and Other Termination of Membership.

(a) A member may resign from membership at any time, subject to the right of the Board to require reasonable notice before the resignation is effective. A resigning member shall not, however, be relieved from any obligation for charges incurred, services or benefits actually rendered, dues, assessments of fees, or arising from contract or otherwise, and this Section 2.05(a) shall not diminish any right of the corporation to enforce any such obligation or obtain damages for its breach.

(b) The Board or a committee thereof may suspend or expel a member for nonpayment of fees, periodic dues or assessments or for conduct which the Board shall deem inimical to the best interests of the corporation, including, without limitation, flagrant violation of any provision of these Bylaws or failure to satisfy membership qualifications. The Board shall give the member who is the subject of the proposed action 15 days' prior notice of the proposed suspension or expulsion and the reasons therefor. The member may submit a written statement to the Board regarding the proposed action not less than 5 days before the effective date of the proposed expulsion or suspension or termination. Prior to the effective date of the proposed action, the Board, or a committee authorized to decide that the proposed expulsion or suspension not take place, shall review any such statement submitted and shall determine the mitigating effect, if any, of the information contained therein on the proposed expulsion, suspension or termination. A suspended or terminated membership shall not carry any of the voting rights set forth in Section 2.02 of these Bylaws.

Section 2.06. Good Standing. Any member who shall be in arrears in the payment of any installment of fees, periodic dues or assessments more than 90 days after their due date shall not be in good standing and shall not be entitled to vote as a member.

Section 2.07. Place of Meetings. Meetings of members shall be held at any place within or outside the State of California designated by the Board. In the absence of any such designation, meetings shall be held at the principal office of the corporation.

Section 2.08. Annual Meeting. Annual meetings of members shall be held on such date and at such time as may be fixed by the Board. In any year in which directors are elected, the election shall be held at the annual meeting. Any other proper business may be transacted at the annual meeting.

Section 2.09. Special Meetings. Special meetings of members may be called at any time by the Board, the Chairperson of the Board, the Executive Director, or not less than 5% of the members. Upon request in writing to the Chairperson of the Board, the Executive Director, any Vice President or the Secretary by any person (other than the Board) entitled to call a special meeting of members, the officer forthwith shall cause notice to be given to the members entitled to vote that a meeting will be held at a time fixed by the Board, not less than 35 or more than 90 days after the receipt of the request. If the notice is not given within 20 days after receipt of the request, the persons entitled to call the meeting may give the notice.

Section 2.10. Notice of Annual or Special Meetings.

(a) Written notice of each annual or special meeting of members shall be given not less than 10 nor more than 90 days before the date of the meeting to each member entitled to notice thereof; *provided, however*, that if notice is given by mail, and the notice is not mailed by first-class, registered or certified mail, the notice shall be given not less than 20 days before the meeting. Such notice shall state the place, date and hour of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of the annual meeting, those matters which the Board, at the time of the mailing of the notice, intends to present for action by the members, but, subject to the provisions of applicable law, any proper matter may be presented at the meeting for action. 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 sent to the members.

(b) Notice of a members' meeting shall be given either personally or by mail or by other means of written communication and shall be addressed to a member at the address of such member appearing on the books of the corporation or given by the member to the corporation for the 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. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission or is transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 2.11. Quorum. One-third of the voting power, represented in person or by proxy, shall constitute a quorum at any meeting of 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 or voting by classes is required by law, by the Articles of by these Bylaws; *provided, however*, that the members present at a duly called or held meeting at which a quorum is present may continue to do 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.

Section 2.12. Adjourned Meetings and Notice Thereof. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the votes represented either in person or by proxy, but in the absence of a quorum (except as provided in Section 2.11 of these Bylaws) no other business may be transacted at such meeting. It shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement at the meeting at which such adjournment is taken; *provided, however*, when any members' meeting is adjourned for more than 45 days or, if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of the meeting as originally called, whether annual or special.

Section 2.13. Voting.

(a) The members entitled to notice of any meeting or to vote at any such meeting shall be only those persons in whose name memberships stand on the records of the corporation on the record date for notice determined in accordance with Section 2.14 of these Bylaws.

(b) Elections need not be by ballot; *provided, however*, that all elections for directors must be by ballot upon demand made by a member at the meeting and before the voting begins. In any election of directors, the candidates receiving the highest number of votes are elected.

(c) If a membership stands of record in the names of two or more persons, whether fiduciaries, members of a partnership or otherwise, or if two or more persons (including proxy-holders) have the same fiduciary relationship respecting the same membership, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

(1) If only one votes, such act binds all; or

(2) If more than one vote, the act of the majority so voting binds all.

(d) voting shall in all cases be subject to the provisions of Sections 7610 through 7616 of the Law.

Section 2.14. Record Date. The Board may fix, in advance, a date as the record date for the determination of the members entitled to notice of a meeting of members. The record date so fixed shall not be more than 60 nor less than 10 days before the day of the meeting. Such a determination of members shall apply to any adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting. The Board shall fix a new record date if the meeting is adjourned for more than 45 days.

The Board may also fix, in advance, a record date for the purposes of determining the members entitled to vote at any meeting of the members. Such record date shall not be more than 60 days before the meeting.

Section 2.15. Consent of Absentees. The transactions of any meeting of members, however called and noticed, and wherever held, are as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by the Law to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of members need be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof, except as provided in Section 7511(f) of the Law.

Section 2.16. Conduct of Meeting. The Executive Director shall preside as chairman at all meetings of the members. The chairman shall conduct each such meeting in a businesslike and fair manner, but shall not be obligated to follow any technical, formal or parliamentary rules or principles of procedure. The chairman shall have all the powers usually vested in the chairman of a meeting of members. Without limiting the generality of the foregoing, the chairman's rulings on procedural matters shall be conclusive and binding on all members, unless at the time of a ruling a request for a vote is made to the members entitled to vote and which are represented in person or by proxy at the meeting, in which case the decision of a majority of such members shall be conclusive and binding on all members.

Section 2.17. Inspectors of Election. In advance of any meeting of members, the Board may appoint inspectors of election to act at such meeting and any adjournment thereof. If inspectors of election be not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairman of any such meeting may, and on the request of any member or member's proxy shall, make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more members or proxies, the majority of members represented in person or by proxy shall determine whether one or three inspectors are to be appointed.

The duties of such inspectors shall be as prescribed by Section 7614(b) of the Law and shall include (i) determining the number of memberships outstanding and the voting power of each; (ii) determining the memberships represented at the meeting; (iii) determining the existence of a quorum; (iv) determining the authenticity, validity and effect of proxies; (v) receiving votes, ballots or consents; (vi) hearing and determining all challenges and questions in any way arising in connection with the right to vote; (vii) counting and tabulating all votes or consents; (viii) determining when the polls shall close; (ix) determining the result and (x) doing such acts as may be proper to conduct the election or vote with fairness to all members. On request of the chairman or any member, the inspectors of election shall make a report in writing concerning the performance of their duties and execute a certificate of any fact found by them. Any report or certificate made by the inspectors shall be prima facie evidence of the facts stated therein. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.

Section 2.18. Proxies. Every person entitled to vote a membership has the right to do so either in person or by one or more persons authorized by a written proxy executed by such member and filed with the Secretary. No proxy shall be valid after the expiration of 11 months from the date of its execution unless otherwise provided in the proxy. The maximum term of any proxy shall be three years from the date of execution. Every proxy shall continue in full force and effect until revoked by the person executing it prior to the vote pursuant thereto. Such revocation may be effected either:

(a) By a writing delivered to the Secretary, stating that the proxy is revoked:

(b) By a subsequent proxy executed by the person executing the prior proxy and presented to the meeting; or

(c) As to any meeting, by attendance at the meeting and voting in person by the person executing the proxy.

Section 2.19. Action Without Meeting by Written Ballot.

(a) Any action which may be taken at any regular or special meeting of members may be taken without a meeting provided there is satisfaction of the following ballot requirements:

(1) The corporation distributes a written ballot to every member entitled to vote on the matter.

(2) The ballot sets forth the proposed action, provides an opportunity to specify approval or disapproval of any proposal, and provides a reasonable time within which to return the ballot of the corporation;

(3) The number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action; and

(4) The number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(b) Directors may be elected by written ballot except that election by written ballot shall not be permitted where the directors are elected by cumulative voting pursuant to Section 7615 of the Law.

(c) The ballot shall be solicited in a manner consistent with Sections 2.10(b) and 2.20 of these Bylaws. All such solicitations shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the elections of directors, shall state the percentage of approvals necessary to pass the measures submitted. The solicitation shall specify the time by which the ballot must be received in order to be counted.

(d) A written ballot may not be revoked.

Section 2.20. Form of Proxy or Written Ballot. When and if this corporation has 100 or more members, the form of any written ballot or proxy distributed to 10 or more of its members shall afford an opportunity on the form of written ballot or proxy to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot or proxy is distributed, to be acted on by such written ballot or proxy. The form shall also provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter, the vote must be cast in accordance therewith. In any election of directors, any form of written ballot or proxy in which the directors to be voted on are named therein as candidates and which is marked by a member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director.

ARTICLE III
DIRECTORS

Section 3.01. Powers. Subject to limitations contained in the Articles, these Bylaws or the Law relating to action required to be approved by the members or by a majority of members, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities or the corporation to any person or persons, a management company or committees however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

(a) To select and remove all officers, agents and employees of the corporation, prescribe powers and duties for them as may not be inconsistent with law, the Articles or these Bylaws, fix their compensation and require from them such security, if any, for faithful service as the Board may deem appropriate.

(b) To conduct, manage and control the affairs and activities of the corporation and to make such rules and regulations therefor not inconsistent with law, the Articles or these Bylaws, as they may deem appropriate.

(c) To adopt, make and use a corporate seal, and to prescribe the forms of certificates of membership, and to alter the form of such seal and of such certificates from time to time as they may deem appropriate.

(d) To authorize the issuance of memberships of the corporation from time to time, upon such terms and for such consideration as may be lawful.

(e) To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

Section 3.02. Number of Directors. The authorized number of directors (which, in any event, shall not be less than three) shall equal the number of members until changed by amendment of the Articles or by amendment of these Bylaws duly adopted with the approval of the members.

Section 3.03. Election and Term of Office. Directors shall be elected at each annual meeting of the members, but if any such annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose. Each elected director shall take office upon election and shall hold office until the next annual meeting of members and until a successor has been elected and qualified.

Section 3.04. Vacancies.

(a) A director may be removed from the Board with or without cause by a vote of the majority of the members. Vacancies in the Board existing as a result of a removal of a director shall be filled by a vote of the majority of the members, and each director so elected shall hold office until the expiration of the term of the replaced director and until such replacement director's successor has been elected and qualified.

(b) Any director may resign effective upon giving written notice to the Chairperson of the Board, the Executive Director, the Secretary or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time to take office when the resignation becomes effective.

(c) Vacancies in the Board, except those existing as a result of a removal of a director, may be filled by a majority of the remaining directors, although less than a quorum, or by a sole remaining director, and each director so elected shall hold office until the expiration of the term of the replaced director and until such replacement director's successor has been elected and qualified.

(d) A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the members fail, at any regular or special meeting of members at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

(e) The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, has been convicted of a felony or has been found by a final order or judgment of any court to have breached any duty arising under Section 7238 of the Law.

(f) The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

(g) No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

Section 3.05. Place of Meeting. Regular or special meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation.

Section 3.06. Annual Meetings. The Board shall hold an annual meeting for the purpose of organization, selection of officers and the transaction of other business. Annual meetings of the Board may be held on such dates and at such times as may be fixed by the Board.

Section 3.07. Regular Meetings. Regular meetings of the Board may be held without call or notice on such dates and at such times as may be fixed by the Board.

Section 3.08. Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson of the Board, the Executive Director, and Vice President, the Secretary or any two directors.

Section 3.09. Notice. Annual and special meetings of the Board shall be held upon at least 4 days' notice by first-class mail or 48 hours' notice given personally or by telephone, telegraph, telex or other similar means of communication. Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of the corporation or as may have been given to the corporation by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 3.10. Quorum.

(a) A quorum of the Board for the transaction of business, except to adjourn as provided in Section 3.13 of these Bylaws, shall be constituted by the greater of:

(1) a majority of the number of directors in office, or

(2) one-fifth (1/5th) of the authorized number of directors, as specified in Section 3.02 of these Bylaws.

(b) Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number be required by law or by the Articles, except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 3.11. Participation in Meetings by Conference Telephone. Members of the Board may participate in a meeting of the Board, or a committee meeting, through use of a conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another.

Section 3.12. Waiver of Notice. Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 3.13. Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than 24 hours, reasonable notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 3.14. Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

Section 3.15. Rights of Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

Section 3.16. Executive Committee. The Board may, by resolution adopted by a majority of the number of directors then in office, establish an executive committee consisting of such number of directors as may be determined by the Board which, except when the Board is in session, and except as its powers may be otherwise limited by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. The executive committee shall also have the power of general supervision, management and control of the business of the corporation and over its several officers.

Appointments to the executive committee shall be by a majority vote of the directors then in office. A majority of all the members of the executive committee may determine its rules of procedure unless the Board shall otherwise provide. The Board shall have the power to change the members of the executive committee at any time, either with or without cause and to fill vacancies; *provided, however*, that all appointments to the executive committee shall be by a majority vote of the directors then in office. The compensation of each member of the executive committee shall be as prescribed from time to time by the Board.

Any action which under the provisions of the Law may be taken at a meeting of the executive committee, may be taken without a meeting if authorized by a writing signed by all members of the executive committee who would be entitled to vote at a meeting for such purpose and filed with the Secretary.

Section 3.17. Standing or Special Committees. In the event that the Board determines that the management of the corporation would be benefited by the establishment of one or more standing or special committees in addition to the executive committee, the Board may from time to time establish one or more such committees. The establishment of a standing or special committee shall be effected by a resolution of the Board approved by the vote of the majority of the directors then in office, which specifically sets forth the powers and duties delegated to such committee. Each such committee shall consist of two or more directors and shall be presided over by a director selected by the Board. The term "standing committee" shall mean any committee appointed by the Board which is authorized by specific delegation, without further Board action, to make and implement decisions on behalf of the Board, or to implement, with some degree of discretion, decisions of the Board pursuant to guidelines established by the Board. Notice of, and procedures for, meetings of standing or special committees shall be as prescribed by the chairman of each such standing or special committee, and meetings of standing or special committees may be called by the Board or the chairman of the standing or special committee.

Section 3.18. Limitations Upon Committees of the Board. No committee of the Board, including any executive committee, shall have any of the authority of the Board with respect to:

(a) the approval of any action for which the Law also requires approval of the members or approval of a majority of all members;

(b) the filling of vacancies on the board or on any committee which has the authority of the Board;

(c) the fixing of compensation of the directors for serving on the Board or on any committee which has the authority of the board;

(d) the amendment or repeal of Bylaws or the adoption of new Bylaws;

(e) the amendment or repeal of any resolution of the Board which by its express term is not so amendable or repealable;

(f) the appointment of other committees of the Board or the members thereof if such committee will have the authority of the Board;

(g) the expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or

(h) with respect to any assets held in charitable trust, the approval of any self-dealing transaction, except that when it is not reasonably practicable to obtain approval of the Board prior to entering into such a transaction, the executive committee may approve the transaction in a manner consistent with the standards set forth in Section 5233(d) of the Law subject to ratification by a majority of the directors then in office (without counting the vote of any interested director) at the next meeting of the Board.

Section 3.19. Advisory Commissions. The Chairperson of the Board, the Board, the executive committee or the Executive Director may from time to time appoint such advisory commissions as it deems appropriate, consisting of directors or persons who are not directors, but such advisory commissions shall not be deemed committees of the Board and shall not exercise any powers of the Board. Notice of, and procedures for, meetings of advisory commissions shall be as prescribed by the chairman of each such advisory commission, and meetings of advisory commissions may be called by the Chairperson of the Board, the Board, the executive committee, the Executive Director or the chairman of the advisory commission.

Section 3.20. Fees and Compensation. Directors and members of committees or advisory commissions shall not receive compensation for their services, but shall be entitled to such reimbursement for expenses as may be fixed or determined by the Board subject to any limitations imposed by the Law.

ARTICLE IV
OFFICERS

Section 4.01. Officers. The officers of the corporation shall be an Executive Director, a Secretary and a Chief Financial Officer. The corporation may also have, at the discretion of the Board, a Chairperson of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Financial Officers and such other officers as may be elected or appointed in accordance with the provisions of Section 4.03 of these Bylaws. Any number of offices may be held by the same person unless the Articles or these Bylaws provide otherwise.

Section 4.02. Election. The officers of the corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 4.03 or Section 4.05 of these Bylaws, shall be chosen annually by, and shall serve at the pleasure of, the Board, and shall hold their respective offices until their resignation, removal or other disqualification from service, or until their respective successors shall be elected.

Section 4.03. Subordinate Officers. The Board may elect, and may empower the Executive Director to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 4.04. Removal and Resignation. Any officer may be removed, either with or without cause, by the Board at any time or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment by the corporation.

Any officer may resign at any time by giving written notice to the corporation, but without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 4.06. Chairperson of the Board. The Chairperson of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned by the Board.

Section 4.07. Executive Director. Subject to such powers, if any, as may be given by the Board to the Chairperson of the Board, if there be such an officer, the Executive Director is the general manager and chief executive officer of the corporation and has, subject to the control of the Board, general supervision, direction and control of the business and officers of the corporation. The Executive Director shall have responsibility for the preparation of an annual financial budget for the corporation and for the regular review of and reporting on expenditures against such budget, subject to the control and direction of the Board. The Executive Director shall preside at all meetings of the members and, in the absence of the Chairperson of the Board, or if there be none, at all meetings of the Board. The Executive Director has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board.

Section 4.08. Vice Presidents. In the absence or disability of the Executive Director, the Vice Presidents, if any be appointed, in order of their rank as fixed by the Board or, if not ranked, the Vice President designated by the Board, shall perform all the duties of the Executive Director and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Executive Director. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board.

Section 4.09. Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of members, the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, the number of members present or represented at members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the corporation's Articles and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board and any committees thereof required by these Bylaws or by law to be given, shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 4.10. Chief Financial Officer. The Chief Financial Officer shall act as Treasurer by keeping and maintaining, or causing to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, and shall send or cause to be sent to the members of the corporation such financial statements and reports as are by law or by these Bylaws required to be sent to them. The books of account shall at all times be open to inspection by any director.

The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board. The Chief Financial Officer shall disburse the funds of the corporation as may be ordered by the Board, shall render to the Executive Director and the directors, whenever they request it, 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 may be prescribed by the Board.

ARTICLE V
OTHER PROVISIONS

Section 5.01. Inspection of Corporate Records.

(a) Subject to Sections 8330, 8331 and 8332 of the Law, a member may do either or both of the following for a purpose reasonably related to such member's interest as a member:

(1) Inspect and copy the record of all the members' names, addresses and voting rights, at reasonable times, upon 5 business days' prior written demand upon the corporation, which demand shall state the purpose for which the inspection rights are requested; or

(2) Obtain from the Secretary, upon written demand and tender of a reasonable charge, a list of the names, addresses and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of a date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The Secretary shall make the membership list available on or before the later of 10 business days after the demand is received or after the date specified therein as the date of which the list is to be compiled.

(b) The Corporation may, within 10 business days after receiving a demand, as set forth in Section 5.01(a) of these Bylaws, deliver to the person(s) making the demand a written offer of an alternative method providing access to or a copy of the membership list. Any rejection of the corporation's offer shall be in writing and shall indicate the reasons the alternative proposed by the corporation does not meet the proper purpose of the demand made pursuant to Section 5.01(a) of these Bylaws.

(c) The accounting books and records and minutes of proceedings of the members and the Board and committees of the Board shall be open to inspection upon written demand on the corporation of any member at any reasonable time for a purpose reasonably related to such person's interests as a member.

Section 5.02. Inspection of Articles and Bylaws. The corporation shall keep in its principal office in the State of California the original or a copy of its Articles and of these Bylaws as amended to date, which shall be open to inspection by members at all reasonable times during office hours. If the corporation has no office in the State of California, it shall upon written request of any member furnish to such member a copy of the Articles or Bylaws as amended to date.

Section 5.03. Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the Chairperson of the Board, the Executive Director or any Vice President and the Secretary, and Assistant Secretary, the Chief Financial Officer or any Assistant Financial Officer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 5.04. Membership Certificates.

(a) Subject to the provisions of Section 7313 of the Law, the Board may adopt a resolution to issue to every member of the corporation a certificate signed in the name of the corporation by the Chairperson of the Board, the Executive Director or a Vice President and by the Chief Financial Officer, and Assistant Financial Officer, the Secretary or an Assistant Secretary, certifying the fact of membership and the class of membership owned by the member. Any or all of the signatures on the certificate may be a facsimile. If any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrant before such certificate is issued, it may be issued by the corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

(b) Certificates for memberships may be issued prior to full payment under such restrictions and for such purposes as the Board may provide; *provided, however*, that on any certificate issued to represent any partly paid membership, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated.

(c) Except as provided in this Section 5.04, no new certificate for membership shall be issued in lieu of an old one unless the latter is surrendered and canceled at the same time. The Board may, however, if any certificate for membership is alleged to have been lost, stolen or destroyed, authorize the issuance of a new certificate in lieu thereof, and the corporation may require that the corporation be given a bond (or other adequate security) sufficient to indemnify it against any claim that may be made against it (including expense or liability) on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificate.

(d) Any membership certificates issued by this corporation shall state on the certificate that:

(1) The corporation is a nonprofit mutual benefit corporation which may not make distributions to its members except upon dissolution, or, if the Articles so provide, that it may not make distributions to its members during its life or upon dissolution;

(2) If there are restrictions upon the transferability, a statement that a copy of the restrictions are on file with the Secretary and are open for inspection by a member on the same basis as the records of the corporation; and

(3) The statement, if any, required by Section 5.04(b) of these Bylaws.

Section 5.05. Representation of Shares of Other Corporations. The Executive Director and any other officer or officers authorized by the Board or the Executive Director are each authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 5.06. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the Law shall govern the construction of these Bylaws.

Section 5.07. Amendments.

(a) These Bylaws may be amended or repealed by approval of the members or by the approval of the Board; *provided, however*, that members must approve any action that would (1) materially and adversely affect the rights of members as to voting, dissolution, redemption or transfer of memberships; (2) increase or decrease the number of memberships authorized in total or for any class; (3) effect an exchange, reclassification or cancellation of all or any part of the memberships; (4) authorize a new class of membership or (5) specify or change a fixed number of directors or the maximum or minimum number of directors or change from a fixed to a variable number of directors or vice versa.

(b) The power of members to approve the repeal or amendment of Bylaws is subject to the further approval of the members of a class if such action would (1) materially an adversely affect the rights, privileges, preferences, restrictions or conditions of that class as to voting, dissolution, redemption or transfer of memberships in a manner different than such action affects another class; (2) materially and adversely affect such class as to voting, dissolution, redemption or transfer of memberships by changing the rights, privileges, preferences, restrictions or conditions of another class; (3) increase or decrease the number of memberships authorized for such class; (4) increase the number of memberships authorized for another class; (5) effect an exchange, reclassification or cancellation of all or part of the memberships of such class or (6) authorize a new class of memberships.

Section 5.08. Maintenance of Corporate Records. The accounting books, records, minutes of proceedings of the members, the Board and the executive committee shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal business office of the corporation. The minutes shall be kept in written or typed form and the accounting books and records shall be kept either in written or typed form, or in any other form capable of being converted into written, typed or printed form.

Section 5.09. Annual Report. Except in fiscal years when the corporation receives less than $10,000 in gross revenues or receipts, the corporation shall notify each member yearly of the member's right to receive a financial report pursuant to Section 8321(a) of the Law. Upon the written request of a member the Board shall promptly cause the most recent annual report to be sent to the requesting member. The annual report shall be prepared not later than 120 days after the close of the corporation's fiscal year. The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such accountant's report, the certificate of any authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation. The annual report shall contain in appropriate detail the following:

(a) A balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year.

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

(c) Any information required by Section 5.10 of these Bylaws.

Section 5.10. Annual Statement of Certain Transactions and Indemnifications.

(a) The corporation must furnish annually to its members a statement of any "covered transaction" or indemnification of a kind described in this Section 5.10, if any such covered transaction or indemnification took place. If the corporation issues an annual report to all members, the statement required by this Section 5.10 shall be affixed to and sent with the annual report. A "covered transaction" under this Section 5.10 is a transaction in which the corporation, its parent or its subsidiary was a party, and in which either of the following interested persons had a direct or indirect material financial interest (excluding a mere common directorship or a transaction approved by the members under Section 7233(a) of the Law):

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

(2) Any holder of more than 10% of the voting power of the corporation, its parent or its subsidiary.

(b) The statement required by Section 5.10(a) of these Bylaws shall describe briefly:

(1) Any covered transaction (excluding compensation of officers and directors) during the previous fiscal year involving more than $50,000, or which was one of a number of

covered transactions in which the same interested person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than $50,000;

(2) The names of the interested persons involved in such transactions, stating such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated; and

(3) The amount and circumstances of any indemnifications or advances aggregating more than $10,000 paid during the fiscal year to any officer or director of the corporation pursuant to Article VI of these Bylaws; *provided, however*, that no such report need be made in the case of indemnification approved by the members under Section 7237(e)(2) of the Law.

Section 5.11 Divisions Within NSIC

(a) In the event that the Board determines that the management of the corporation would be benefited by the establishment of one or more Divisions, the Board may from time to time establish one or more such Divisions. The establishment of a Division shall be effected by a resolution of the Board approved by the vote of a majority of the directors, then in office, which specifically sets forth the mission for the Division, the qualifications for Division membership, and the organizational structure of the Division. Each division so formed shall be governed by and adhere to these Bylaws.

(b) For each Division, the Board shall establish a Division Management Committee and name a Chairperson thereof. Each such committee shall consist of three or more individuals from NSIC members. These individuals may or may not be NSIC directors. This Committee may also include individuals from associate members of NSIC.

(c) The board may delegate to each Division Management Committee the authority on behalf of the Board to establish projects, submit research proposals, and allocate among Division members such research funds and equipment as may come to NSIC because of the activities of the Division, and such other authority and responsibility as may be deemed appropriate by the Board.

(d) The Board may authorize the Division Management Committee to appoint a person to attend meetings of the Board and of the Executive Committee as a non-voting participant.

ARTICLE VI
INDEMNIFICATION

The corporation shall, to the maximum extent permitted by the Law, indemnify each of its directors and officers against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was a director or officer of the corporation and shall advance to such director or officer expenses incurred in defending any such proceeding to the maximum extent permitted by the Law. For purposes of this Article VI, a "director" or "officer" of the corporation includes any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation or other enterprise, or was a director or officer of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation. The Board may, in its discretion, provide by resolution for such indemnification of, or advance of expenses to, other agents of the corporation, and likewise may refuse to provide for such indemnification of advances or expenses except to the extent such indemnification is mandatory under the Law.