

BYLAWS
OF
FAB OWNERS ASSOCIATION

A California Nonprofit Mutual Benefit Corporation

ARTICLE I

LOCATION OF OFFICES

The name of this corporation is Fab Owners Association (the "Association" herein). It is a California nonprofit mutual benefit corporation with principal offices at 19925 Stevens Creek Blvd., Cupertino CA 95014-2358.

ARTICLE II

PURPOSE

The Association is organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of the Association is to engage in any lawful act or activity for which a corporation may be organized under such law. The specific purposes of the Association are to provide a forum for the exchange of information relating to the manufacture of silicon based integrated circuits and micro electro mechanical systems; to address issues that are more effectively or efficiently undertaken through an industry association than through individual companies; to promote cooperation and solutions related to manufacturing, health, safety, environment and efficiencies; to compile statistical information regarding manufacturing and distribution; to promote customer awareness of technical and business issues affecting product quality and value; to promote participation in the international standards program; to promote awareness of the Association's standards; to promote participation in meetings, conferences, exhibits, seminars and events of interest to the industry; to combine purchasing power to reduce manufacturing costs; to address other issues of common interest that may arise from time to time; and to engage in any other lawful activities permitted under the California Nonprofit Mutual Benefit Corporation Law.

ARTICLE III

MEMBERSHIP

Section 3.1 Voting Membership Requirements

The Voting Members of the Association shall consist of:

1. Companies that manufacture silicon based integrated circuits or micro electro mechanical systems, have properly presented themselves for membership in accordance with procedures prescribed by the Association, have been enrolled as members on the membership roster, and have not been suspended or expelled from the Association. If a subsidiary or business unit of a member company maintains a separate membership in the Association, it may also be a separate member of the Association.
2. Current and former Executive Directors of the Association that have properly presented themselves for membership in accordance with procedures prescribed by the Association, have been enrolled as members on the membership roster, and have not been suspended or expelled from the Association. In recognition of their service and dedication to the Association and its purposes: (a) current Executive Directors of the Association shall be Voting Members of the Association with no obligation to pay dues; and (b) former Executive Directors of the Association shall be Voting Members of the Association with no obligation to pay dues provided that the Voting Members may terminate the Voting Membership of a former Executive Director by the affirmative vote of two-thirds of all Voting Members.

Membership in the Association shall not vest in any member any right to distributions from the Association during the existence of the Association and shall only entitle the member to vote at meetings of the members.

Section 3.2 Membership Application

1. Companies described in Section 3.1.1 of this Article desiring membership in the Association shall submit a membership application as prescribed by the Association, which includes at least the following information:
 - a. Company or business unit name.
 - b. The name, street and email addresses, telephone, and fax number of the individual designated to be the primary representative of the company

at Association meetings, and to receive official notices of Association meetings, meeting minutes, and other Association mailings.

c. The names, street and email addresses, telephone and fax numbers of one or more individuals in each company location or division (not a separate Association member) designated to represent the organization at Association meetings, and to receive notices of Association meetings, meeting minutes, and other Association mailings.

2. At such time that any individual listed by a member on a membership application described in Section 3.2.1 of this Article ceases to be an employee of the member, the member shall submit a revised application indicating a replacement for the individual.

Section 3.3 Active Members

Companies whose applications have been accepted, that are current in payment of dues and assessments to the Association and that have been represented at one or more meetings of the Association during the preceding year, are active Voting Members of the Association. Current and former Executive Directors that have submitted such application as may be required by the Association and have participated in one or more meetings of the Association during the proceeding year, are also active Voting Members of the Association. These shall constitute the entire voting membership of the Association and all rights of members under the California Corporations Code, including but not limited to the Nonprofit Mutual Benefit Law and Section 5056, are vested solely in such members.

Section 3.4 Removal of Members.

1. No voting member may be expelled or suspended, and no membership of a voting member may be terminated or suspended, except according to the following procedures, a copy of which shall be distributed annually to all Voting Members of the Association with the minutes of the annual meeting.

2. No voting membership may be terminated except for cause, consisting of clear and convincing evidence that one of the following events has occurred:

a. The member's dissolution, death or resignation.

b. The failure of the member to pay dues or assessments in a timely fashion after written notice of the same.

c. The failure of a voting company member to continue to qualify as a manufacturer of silicon based integrated circuits or micro electro

mechanical systems or to name a representative to the Association after written request to do the same.

d. Action by a voting member that is determined to be against the interests and purposes of the Association, including by way of example and not limitation, improper use of any statistical product produced by the Association.

3. A voting member may be expelled only after the member has been given written notice of the proposed action and the reasons therefore and a reasonable opportunity to present contrary evidence or an explanation. The following procedures shall apply to any vote by the Executive Committee that a voting member should be expelled or suspended, or that the membership of a voting member should be terminated or suspended for any reason other than dissolution, death or resignation, the following shall occur:

a. A minimum fifteen (15) days prior written notice of the proposed action and the reasons therefor shall be given to the voting member. If the voting member does not pay all delinquent dues and assessments, or otherwise contact the Association to object to the proposed action, the member shall be removed from the Association's membership list on the 16th day after notice.

b. If the member contacts the Association regarding the proposed action within the fifteen (15) day notice period, the member shall be given at least five (5) days to submit a written explanation or objection to the proposed action. The Executive Committee will consider the proposed action in light of any information submitted by the member and will vote upon whether to recommend to the voting membership that the member be removed. A vote to recommend expulsion of a member must be approved by two-thirds of all of the members of the Executive Committee.

c. If the Executive Committees recommends that the voting membership of the Association expel a voting member, the member will be suspended until the Voting Members of the Association determine whether the member should be expelled. Termination of a membership shall be the first item of business at the next regular meeting of members, unless the Executive Committee or the member to be expelled requests the Association call a special meeting of members to consider the removal, in which case the Association shall call a special meeting as soon as reasonably possible and in no event more than one month after the Executive Committee's vote.

d. Before a vote to terminate a membership, the member to be removed shall be given a reasonable opportunity to present any contrary evidence

or explanation s/he may have to the Voting Members of the Association. A voting member may participate in any vote of the members regarding his/her removal. A membership may only be terminated by the affirmative vote of two-thirds of all of the Voting Members of the Association.

4. A voting member that is suspended or expelled shall have no claim against the Association for any refund of dues or assessments paid by the member to the Association.

Section 3.5 Place of Meetings.

Notwithstanding anything to the contrary in these Bylaws, any meeting whether regular, special or adjourned of the members of the Association may be held at any place within, or without California, which has been designated by the Executive Director or the Executive Committee.

Section 3.6 Regular Meetings.

Regular quarterly meetings of members will be held at 10:00 a.m. on the second Thursday of January, April, July and October of each year at the principal office of the Association without notice. The Executive Director may designate a different time, date or location for any meeting, in which case notice must be given in the manner specified for special meetings (except that the notice need not include the general nature of the business to be transacted at the regular meeting). The January meeting will be the annual meeting of Voting Members of the Association. At the annual meeting, the Voting Members of the Association shall consider reports of the affairs of the Association, and transact such other business as may properly be brought before the meeting, including but not limited to the election of Board Members and Officers as necessary and approval of the annual budget, which shall be proposed by the Executive Committee and may be modified by the Voting Members of the Association.

Section 3.7 Special Meetings.

Special meetings of the Voting Members of the Association may be called at any time by order of the Executive Director or of two or more members or of the Executive Committee.

Section 3.8 Notice of Special Meetings.

Written notice of special meetings of members shall be given to each voting member at least ten (10) days before the time fixed for the meeting. Notice shall be delivered to the member's last address shown on the Association's books, postage and/or delivery costs prepaid. Notices may be delivered personally; by first class, registered or certified mail; by facsimile; or, to members that have consented to email delivery and provided the Association with an email address, by email.

Any notice required for a meeting of members shall specify the place, the day and the hour of meeting and, in case of a special meeting, the general nature of the business to be transacted.

Section 3.9 Quorum.

At all meetings of the members, whether regular, special or adjourned, the presence in person or by absentee ballot of a majority of the Voting Members of the Association shall constitute a quorum for the transaction of business.

Section 3.10 Adjournments.

In the absence of a quorum at any meeting of members, the meeting may be adjourned, by the vote of a majority of the votes represented at the meeting either in person or by proxy, from day to day or from time to time until a quorum is obtained. In that case, no notice need be given of the adjourned meeting.

Section 3.11 Waiver and Consent.

1. The transaction of any business at a meeting of members, however called or noticed, shall be as valid as though conducted at a meeting duly held after regular call and notice, if a quorum is present, and if either before or after the meeting, each of the members, not present, signs a written waiver of notice or a consent to the holding of such meeting, or an approval of the minutes of the meeting.

2. Any action that may be taken at a meeting of the members, may be taken without a meeting if authorized by a writing signed by all the members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Association.

Section 3.12 Action without Meeting / Ballots.

1. Any action which may be taken at any regular or special meeting of members may be taken without a meeting if the Association distributes a written ballot to every member entitled to vote on the matter. The ballot and any related materials may be sent by electronic transmission to members that have provided email addresses to the Association and consented to electronic communications from the Association and any member may return its vote to the Association by electronic transmission.

2. Any ballots distributed by the Association pursuant to this Section shall set forth the proposed action, shall provide members an opportunity to approve or disapprove the proposed action and shall identify a reasonable time within which the ballot must be returned to the Association for a member's vote to be counted. In addition, the ballot shall indicate the minimum number of votes required to approve the proposed action.

3. For an action to be approved under this Section 3.12, the number of ballots timely cast by members must equal or exceed the quorum requirement for a meeting and the number of ballots approving the action must equal or exceed the number of votes that would have been needed to approve the matter at a meeting at which the number of members casting votes were present.

Section 3.13 **Absentee Ballots.**

Absentee ballots specifically setting forth the resolution to be voted on may be prepared for any regular or special meeting of members. These ballots may be used by Voting Members of the Association in good standing who are unable to attend, who request the same.

Section 3.14 **Voting Rights.**

Only members whose names stand on the voting membership records of the Association on the day of a meeting of members, shall be entitled to vote at such a meeting.

Every member entitled to vote at any election for officers or board members shall be entitled to one vote for each position to be elected.

Section 3.15 **Proxies.**

Voting by proxy is not allowed.

ARTICLE IV

NON-VOTING MEMBERS

Section 4.1 **Non-Voting Membership Requirements**

The Executive Committee may establish categories of non-voting members, consisting of individuals and organizations that do not qualify for membership in the Association but are in agreement with its purposes.

Non-voting members shall not constitute a legislative body to pass resolutions binding upon the Association and the relationship shall not constitute membership in the Association pursuant to California Corporations Code including but not limited to the Nonprofit Mutual Benefit Law and Section 5056 or any similar provision. Non-Voting Members have no right to elect officers or board members, or to any say in Association actions, including but not limited to any dissolution, sale or merger of the Association.

The Executive Committee shall establish and may change the categories of non-voting members and the rights, privileges, application form, dues and other conditions associated with each category of non-voting membership; provided the Executive Committee has no power to grant non-voting members any voting rights in or relating to corporate matters. No corporate policy is intended or will be construed to vest any contractual right in any non-voting member against the Association or its assets. The Association at all times reserves the right to change any and all policies to further the purposes of the Association and its voting members.

Section 4.2 Associate Members

The Executive Committee may establish subcategories of associate members, including by way of example and not limitation, suppliers to the semiconductor manufacturing industry; service partners (companies doing business with semiconductor companies that are not themselves semiconductor companies); venture capitalists and investment banks; and organizations, associates, government and educational institutions. The Executive Committee will establish the dues for Associate Members.

Associate members have no voting rights and only restricted access to surveys, indices, metrics and membership rolls generated by the Association, all as prescribed by the Executive Committee from time to time. There is no term of membership; provided the member pays dues and assessments. Associate members may be terminated or suspended by a majority vote of the Executive Committee or the Voting Members of the Association for any or for no reason. However, unless a termination or suspension is for cause, a terminated Associate member shall be entitled to a pro-rata refund of the annual dues paid for the year in which the membership is terminated.

Section 4.3 Individual Members

This membership category is reserved for independent consultants and retired members of the semiconductor industry. The Executive Committee will establish the dues for Individual Members. Individual members have no voting rights. There is no term of membership; provided the member pays dues and assessments. Individual members may be terminated or suspended by a majority vote of the Executive Committee or the Voting Members of the Association for any or for no reason. However, unless a termination or suspension is for cause, a terminated Individual

member shall be entitled to a pro-rata refund of the annual dues paid for the year in which the membership is terminated.

Section 4.4 Liaison Members

The Executive Director may appoint persons as necessary, who may or may not represent company members, to act as liaisons between the Association and other organizations, as appropriate. Liaison Members serve at the pleasure of the Executive Director and may be terminated or suspended by the Executive Director, or by the majority vote of the Executive Committee or the Voting Members of the Association, for any or for no reason, with or without cause.

Liaison members shall be non-voting members of the Association. Unless sooner terminated, the term of membership shall be two years. The Executive Director may reappoint Liaison Members with the consent of the Executive Committee.

Section 4.5 Advisory Members

The Executive Director may appoint advisory representatives. These representatives shall act in an advisory capacity as needed by the Association. Advisory members serve at the pleasure of the Executive Director and may be terminated or suspended by the Executive Director, or by the majority vote of the Executive Committee or the Voting Members of the Association, for any or for no reason, with or without cause.

Advisory members shall be non-voting members of the Association. Unless sooner terminated, the term of membership shall be two years. The Executive Director may reappoint Advisory Members with the consent of the Executive Committee.

ARTICLE V

CONDITIONS OF MEMBERSHIP

Section 5.1 Participation in Association's Statistics Programs

1. Each member desiring to participate in the Association's statistics program shall submit a form prescribed by the Executive Committee, which includes at least the following information

- a. The name, street and email addresses, telephone, and fax number of the individual responsible for providing statistics data for the company to the Association statistics program.
- b. The name, street and email addresses, telephone, and fax number of the individual designated to submit the statistics data for the company on a quarterly basis or as needed basis.
- c. To preserve confidentiality, the Association member participating in the statistics program will submit their survey form to an independent organization chosen by the Executive Committee. This independent firm will compile the statistics and provide a summary to the Association's Director of Statistics Programs and to the participants of a particular survey. All members' survey forms will remain with this independent organization until directed otherwise by the Executive Director.

Section 5.2 Confidentiality and Non-Disclosure Agreement.

Each member that participates in any of the Association's statistics programs must execute the Association's Confidential Disclosure Agreement as prescribed by the Executive Committee, from time to time.

Section 5.3 Antitrust Guidelines

All members that participate in any programs, events or statistics programs must agree to abide by the Association's Antitrust Guidelines as prescribed by the Executive Committee, from time to time.

Section 5.4 Notice to Members

Any notice required or permitted to be given to a voting or non-voting member may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or registered mail sent to the last address of the member shown on the Association's records.

ARTICLE VI MANAGEMENT

Section 6.1 **Executive Committee**

Subject to the limitations in the Articles, these Bylaws and pertinent restrictions in the California Corporations Code, the activities and affairs of the Association shall be exercised by or under the direction of the Executive Committee. The Executive Committee will be composed of the Board Members and the Officers elected pursuant to this Article 6.

Section 6.2 **Board Members**

The authorized number of Board Members is four, consisting of three Board Members and one (non-voting) alternate. The authorized number may be changed by an amendment to the Articles or these Bylaws. The Board Members will be elected by the Voting Members of the Association. Board Members will be elected for three (3) year terms or until a successor is named and qualified. Election of Board Members will be by a majority of the Voting Members of the Association present at duly held meeting of members at which a quorum is present

Candidates for Board Member positions must be senior executives of member companies. The Association may establish a nominating committee to suggest names of qualified candidates, giving consideration to providing a diversity of representation from major international regions.

Section 6.3 **Corporate Officers**

1. **Officers.** The Officers of the Association shall be an Executive Director and a Secretary/Treasurer. The Secretary/Treasurer will be one individual, holding both titles. No individual may serve concurrently as both the Executive Director and the Secretary/Treasurer. Officers will be elected by the Voting Members of the Association. Officers will be elected for three (3) year terms or until a successor is named and qualified. Election of Officers will be by a majority of the Voting Members of the Association present at a duly held meeting of members at which a quorum is present.

2. **Executive Director.** The Executive Director shall be the chief executive officer of the Association and shall, subject to the control of the Executive Committee, have general supervision, direction and control of the activities and Officers of the Association. The Executive Director shall preside at all meetings of the Executive Committee. The Executive Director shall be an ex-officio member of all standing committees and shall have the general powers and duties of management usually vested in the office of a president of a corporation, and shall have such other powers and duties as may be prescribed by the Executive Committee or the Bylaws.

3. Secretary/Treasurer. The Secretary/Treasurer shall hold the positions and perform the duties normally ascribed to the secretary and to the treasurer of a corporation and shall be the chief financial officer of the Association. Secretarial duties shall include keeping or causing to be kept a book of minutes and notices of all Executive Committee and official committee meetings; the original and a copy of the Association's articles and bylaws as amended to date; the seal of the Association; a membership roster; and such other powers and duties as prescribed by the Executive Committee. Treasurer duties shall include keeping and maintaining or causing to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association; depositing all moneys and other valuables in the name and to the credit of the Association in depositories designated by the Executive Committee; disbursing the funds of the Association as may be ordered by the Executive Director or the Executive Committee, rendering to the Executive Director and the Executive Committee, upon request an account of all of his or her transactions and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Executive Committee. All corporate records shall be kept at the corporate office or such other place as the Executive Committee may order.

Section 6.4 Removal of Executive Committee Members

An Officer or Board Member may be removed from office with the approval of two-thirds of the Voting Members of the Association, with or without cause, for any or for no reason. The individual to be removed shall be given prior notice and a reasonable opportunity to address the Voting Members of the Association prior to any vote to remove him/her. An Officer or Board Member who is also a voting member of the Association shall be entitled to participate in any vote of the members regarding his/her removal. The Executive Committee may recommend to the Voting Members of the Association that an Officer or Board Member be removed if the Executive Committee determines by clear and convincing evidence that the Officer or Board Member to be removed has engaged in any one of the following:

- a. An undisclosed and/or unapproved conflict of interest is found to exist between the Officer or Board Member and the Association.
- b. The Officer or Board Member is found to have engaged in activities that are directly contrary to the interests of the Association.
- c. The Officer or Board Member is found to be engaged in the misrepresentation of the Association or its policies to outside third parties, either willfully, or on a repeated basis.

Prior to any Executive Committee vote to recommend an Officer or Board Member be removed, the individual to be removed will receive written notice of the allegations against him/her and the basis for the same and shall be given a reasonable opportunity

to present any contrary evidence or explanation s/he may have. A vote to recommend removal of an Officer or Director must be approved by two-thirds of all of the members of the Executive Committee (not counting the vote of the individual to be removed).

If two-thirds of the Executive Committee approves a recommendation that an Officer or Director be removed, the Officer or Board Member will be suspended from their position until the membership votes on the matter. Removal of the Officer or Board Member will be the first item of business at the next regular or special meeting of members.

Before a membership vote to remove an Officer or Board Member, the individual to be removed will be given a reasonable opportunity to present any contrary evidence or explanation s/he may have to the Voting Members of the Association. Officers and Board Members that are Voting Members of the Association shall be entitled to participate in any vote of the members regarding their removal. An Officer or Board Member may only be removed by the affirmative vote of two-thirds of all of the Voting Members of the Association.

Section 6.5 Resignation of Officers and Board Members.

Any Officer or Board Member may resign by giving written notice to the Association. The resignation will be effective upon receipt of notice, unless the notice specifies a later time for the effectiveness of the resignation, in which case the notice will be effective at such later time. However, if a resignation is to take effect at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.

Section 6.6 Vacancies.

A majority of the Executive Committee may appoint interim Officers and Board Members to fill vacancies created by the death or resignation of any Officer or Board Member. The individual so appointed will serve until the next regular meeting of members, at which time the Voting Members of the Association will elect individuals to fill any vacant positions. In all other cases, vacancies in any Officer or Board Member position will be filled by the Voting Members of the Association at a regular or special meeting. Officers and Board Members elected by the members to fill a vacancy will serve the unexpired term of the individual they are elected to replace.

The Executive Committee may declare vacant the office of any Officer or Board Member who has been declared of unsound mind by a final order of court, or convicted of a felony, or in the case of a corporation holding assets in charitable trust, has been found by a final order or judgment of any court to have breached any duty arising under the California Nonprofit Mutual Benefit Corporation Law.

No reduction of the authorized number of Board Members will have the effect of removing any Board Member prior to the expiration of the Board Member's term of office.

Section 6.7 Place of Meetings.

Notwithstanding anything to the contrary provided in these Bylaws, any meeting (whether regular, special or adjourned) of the Executive Committee of the Association may be held at any place within or without California that has been previously designated for that purpose by resolution of the Executive Committee or by the written consent of all the members of the Executive Committee. If no place has been designated, then the meetings will be held at the principal executive office of the Association.

Section 6.8 Regular Meetings.

The regular meetings of the Executive Committee shall be held without call or notice immediately prior to each quarterly meeting of members.

Section 6.9 Special Meetings.

Special meetings of the Executive Committee may be called at any time by order of the Executive Director or of two (2) or more Board Members.

Section 6.10 Notice of Special Meetings.

Special meetings of the Executive Committee shall be held upon four (4) days notice by first class mail or a forty-eight (48) hour notice given personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. The notice shall be addressed or delivered to each Officer and Board Member at their address as it is shown upon the records of the Association or as may have been given to the Association by the individual for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place at which the meetings of the Executive Committee are regularly held.

Section 6.11 Quorum.

Except as otherwise provided herein, a majority of the authorized number of Executive Committee members shall constitute a quorum except when vacancies prevent such a majority, whereupon a majority of the Executive Committee members in office shall constitute a quorum, provided such majority shall constitute either one-third of the authorized number of Executive Committee members or at least two Executive

Committee members, whichever is larger, or unless the authorized number of Executive Committee members is only one. A majority of the Executive Committee members present, whether or not a quorum is present, may adjourn any meeting to another time and place. Except as required by the Articles, these Bylaws or the law, the act or decision done or made by a majority of the Executive Committee members present at a meeting duly held at which a quorum is present shall be the act of the Executive Committee. Any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Executive Committee members, provided that any action taken must be approved by at least a majority of the required quorum for such a meeting, or such greater number as is required by the Articles, these Bylaws or by law.

Section 6.12 Participation in Meetings by Conference Telephone.

Executive Committee members may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of such communications equipment pursuant to this Section constitutes presence in person at that meeting as long as all Executive Committee members participating are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) pursuant to this Section constitutes presence in person at the meeting so long as all Executive Committee members participating in the meeting can communicate with all of the other Executive Committee members concurrently, each Committee Member is provided the means of participating in all matters before the Executive Committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken, and the Association adopts and implements some means of verifying that the person communicating by telephone, electronic video screen, or other communications equipment is an Executive Committee member or other person entitled to participate in the meeting, and that all actions of, or votes by the Executive Committee are taken or cast only by the Executive Committee members and not by persons who are not Executive Committee members.

Section 6.13 Waiver of Notice.

Notice of a meeting need not be given to any Executive Committee member 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 to the meeting or at its commencement, the lack of notice to such Executive Committee member. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 6.14 Adjournment.

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

Section 6.15 Action Without Meeting.

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

Section 6.16 Rights of Inspection.

Every member of the Executive Committee 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 Association, for a purpose reasonably related to that person's interest as a member of the Executive Committee.

Section 6.17 Official Sub-Committees.

The Executive Committee may establish Official Sub-Committees by resolution passed by a majority of all members of the Executive Committee. Official Sub-Committees shall be composed of two or more members of the Executive Committee, and shall have such powers of the Executive Committee as may be expressly delegated to it by resolution of the Executive Committee, except with respect to:

- a. The approval of any action for which the California Nonprofit Mutual Benefit Corporation Law also requires members' approval;
- b. The filling of vacancies on the Executive Committee or on any Official Sub-Committee;
- c. The fixing of compensation of any Board Member for serving on the Executive Committee or on any Official Sub-Committee;
- d. The amendment or repeal of Bylaws or the adoption of new Bylaws;

e. The amendment or repeal of any resolution of the Executive Committee which by its express terms is not so amendable or repealable;

f. The appointment of other sub-committees of the Executive Committee or the members thereof;

g. The expenditure of corporate funds to support a nominee for Executive Committee after there are more people nominated for any officer or board position than can be elected; or

h. The approval of any self-dealing transaction, as such transactions are defined in Section 7233 (a) of the California Nonprofit Mutual Benefit Corporation Law.

Unless the Executive Committee or an Official Sub-Committee shall otherwise provide, regular and special meetings and other actions of Official Sub-Committees shall be governed by the provisions of this Article applicable to meetings and actions of the Executive Committee. Minutes shall be kept of each meeting of each Official Sub-Committee.

Section 6.18 **Other Sub-Committees.**

The Executive Committee may appoint other sub-committees to make recommendations, to carry out specific responsibilities, or to otherwise help in the administration and operation of the Association. These sub-committees must be chaired by a member of the Executive Committee who will be appointed by resolution of the Executive Committee; additional individuals serving on the sub-committee may be chosen by the Executive Committee, the Executive Director or the chair of the sub-committee and need not be members of the Executive Committee but should, except in unusual cases, be voting or non-voting members of the Association or representatives of such members. Other sub-committees, formed pursuant to this Section, may not act in place of the Executive Committee. Minutes shall be kept of each meeting of each other sub-committee formed under this Section.

Section 6.19 **Advisory Directors.**

The Executive Committee from time to time may appoint one or more persons to be Advisory Directors who shall not by such appointment be members of the Executive Committee. Advisory Directors shall be available from time to time to perform special assignments specified by the Executive Director, to attend meetings of the Executive Committee upon invitation and to furnish consultation to the Executive Committee. The period during which the title shall be held may be prescribed by the Executive Committee. If no period is prescribed, the title shall be held at the pleasure of the Executive Committee.

Section 6.20 Fees and Compensation.

Board Members (as such) shall not receive compensation for their services as members of the Executive Committee; but may receive a reasonable allowance for personal services actually rendered pursuant to a resolution passed by a majority vote at a regular or special meeting of the Voting Members of the Association and reimbursement for expenses as may be fixed or determined by the Executive Committee. Officers shall receive reasonable compensation for their services as established by the Board Members and approved by the Voting Members of the Association pursuant to their approval of the Association's annual budget.

Members of the Executive Committee may serve the organization in some other capacity for which compensation is paid.

ARTICLE VII

SUBORDINATE OFFICERS

Section 7.1 Subordinate Officers.

The Association may have, at the discretion of the Executive Committee, subordinate officer such as one or more Vice Presidents, one or more Assistant Secretaries and such other officers as may be appointed in accordance with the provisions of this Article. The Executive Committee may appoint, and may empower the Executive Director to appoint, subordinate officers as the business of the Association 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 Executive Committee may from time to time determine.

Section 7.2 Removal and Resignation.

Subordinate officers may be removed, either with or without cause, by a majority of the Executive Committee at any regular or special meeting of the Executive Committee, or except in case of an officer chosen by the Executive Committee, by any officer upon whom such power of removal may be conferred by the Executive Committee.

Any subordinate officer may resign at any time, without prejudice to the rights, if any, of the Association under any contract to which the officer is a party, by giving written notice to the Executive Committee, the Executive Director or the Secretary of the Association. The resignation shall take effect on 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 7.3 Vacancies.

A vacancy in any subordinate office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular election or appointment to such office and such vacancies shall be filled as they occur.

Section 7.4 Salaries.

The salaries of subordinate officers shall be fixed from time to time by the Executive Committee. No subordinate officer shall be prevented from receiving a salary by reason of the fact that such officer is also a member of the Executive Committee.

ARTICLE VIII

INDEMNIFICATION OF AGENTS OF THE Association

Section 8.1 Definitions.

For purposes of this Article, "agent" means any person who is or was a member of the Executive Committee, officer, employee or other agent of this Association or is or was serving at the request of this Association as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor of this Association or of another enterprise at the request of such predecessor; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5(b) of this Article.

Section 8.2 Indemnification in Actions by Third Parties.

The Association shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this Association to procure judgment in its favor, an action brought under Section 5233 of the California Nonprofit Corporation Law, made applicable pursuant to Section 7238 of the California Nonprofit Mutual Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of this Association, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner

such person reasonably believed to be in the best interests of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this Association or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 8.3 Indemnification in Actions by or in the Right of the Association.

The Association shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this Association or brought under Section 5233 of the California Nonprofit Corporation Law, made applicable pursuant to Section 7238 of the California Nonprofit Mutual Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust to procure a judgment in its favor by reason of the fact that such person is or was an agent of this Association, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

a. In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to this Association in the performance of such person's duty to this Association, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

b. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

c. Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

Section 8.4 Indemnification Against Expenses.

To the extent that an agent of this Association has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article or in defense of

any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 8.5 Required Indemnification.

Except as provided in Section 4 of this Article, indemnification under this Article shall be made by this Association only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3, by:

- a. A majority vote of a quorum consisting of members of the Executive Committee who are not parties to such proceeding;
- b. Approval of the Voting Members of the Association with the persons to be indemnified not being entitled to vote thereon; or
- c. The court in which such proceeding is or was pending, upon application made by this Association or the agent, attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this Association.

Section 8.6 Advance of Expenses.

Expenses incurred in defending any proceeding may be advanced by this Association prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 8.7 Other Indemnification.

No provision made by the Association to indemnify its or its subsidiary's directors, Executive Committee members or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of members or the Executive Committee, an agreement or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than such Executive Committee Members and officers may be entitled by contract or otherwise.

Section 8.8 Forms of Indemnification Not Permitted.

No indemnification or advance shall be made under this Article, except as provided in Sections 4 or 5(b) in any circumstances where it appears:

a. That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

b. That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 8.9 Insurance.

The Association shall have the power to purchase and maintain insurance on behalf of any agent of the Association against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Association would have the power to indemnify the agent against such liability under the provisions of this Article.

Section 8.10 Non-applicability to Fiduciaries of Employee Benefit Plans.

This Article does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Association as defined in Section 1 of this Article. The Association shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

ARTICLE IX

RECEIPT, INVESTMENT AND DISBURSEMENT OF FUNDS

Section 9.1 Receipt of Funds.

The Association shall receive all monies and/or other properties transferred to it for the purposes for which the Association was formed (as shown by the Articles of Incorporation). However, nothing contained herein shall require the Executive Committee to accept or receive any money or property of any kind if it shall determine in its discretion that receipt of such money or property is contrary to the expressed purposes of the Association, as shown by said Articles.

Section 9.2 Investment of Funds.

The Association shall hold, manage and disburse any funds or properties received by it from any source in a manner that is consistent with the expressed purposes of this Association.

Section 9.3 Disbursement of Funds.

No disbursement of Association money or property shall be made until it is first approved by the Executive Director or the Secretary/Treasurer or by the Executive Committee. However, the Executive Committee shall have the authority to appropriate specific sums to fulfill the objects and purposes for which the Association was formed and to direct the officers of the Association from time to time to make disbursements to implement said appropriations.

Section 9.4 Instruments in Writing.

All checks, drafts, demands for money and notes of the Association, and all written contracts of the Association shall be signed by such officer or officers, agent or agents, as the Executive Committee may from time to time by resolution designate.

ARTICLE X

CORPORATE RECORDS AND REPORTS

Section 10.1 Records.

The Association shall maintain adequate and correct accounts, books and records of its business and properties. All such books, records and accounts shall be kept at its principal place of business in the State of California, as fixed by the Executive Committee from time to time.

Section 10.2 Inspection of Books and Records.

The Membership Register or duplicate Membership Register, the books of account, and minutes and proceedings of the members and the Executive Committee, and of official committees of the Executive Committee of this Association shall be open to inspection upon the written demand of any voting member at any reasonable time, for a specifically stated purpose reasonably related to his or her interests as a member, and shall be exhibited at any time when required by the demand of any members' meeting.

Every member of the Executive Committee shall have the absolute right at any reasonable time to inspect all books, records, documents of every kind, and the physical properties of the Association, and also of its subsidiary organizations, if any.

Section 10.3 Certification and Inspection of Bylaws.

The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary/Treasurer, shall be open to inspection by the members and Executive Committee of the Association at all reasonable times during office hours.

ARTICLE XI

OTHER PROVISIONS

Section 11.1 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 this Association and any other person, when signed by any one of the Executive Director and the Secretary/Treasurer of this Association shall be valid and binding on this Association in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same.

The Executive Committee, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association. This authority may be general or confined to specific instances. Unless so authorized by the Executive Committee, and except as provided in this Section, no officer, agent or employee shall have any power or authority to bind the Association by any contract or agreement, or to pledge its credit, or to render it liable for any purpose or to any amount.

Section 11.2 Representation of Shares of Other Corporations.

The Executive Director or any other officer or officers authorized by the Executive Committee are authorized to vote, represent and exercise on behalf of the Association all rights incident to any and all shares of any other corporation or corporations standing in the name of the Association. The authority herein granted may be exercised either by any officer in person or by any other person authorized to do so in proxy or power of attorney duly executed by the officer.

Section 11.3 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 California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws.

Section 11.4 Amendments.

These Bylaws may be amended by repeal and new and additional Bylaws may be made from time to time at any time by the affirmative vote of two-thirds of all of the Voting Members of the Association or by the unanimous written consent of all of the members.

Section 11.5 Record of Amendments.

Whenever an amendment or new Bylaw is adopted, it shall be copied in the Book of Minutes with the original Bylaws, in the appropriate place. If any Bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in the Book.

CERTIFICATE OF SECRETARY

I, the undersigned, being the Secretary/Treasurer of Fab Owners Association, do hereby certify that the above Bylaws were adopted as the Bylaws hereof on the ___ day of April ___, 2005 by the Executive Committee of said Association in a regularly called meeting on the same date, to wit, the ___ day of April, 2005. Said Bylaws are, as of the date of this certification, the duly adopted and existing Bylaws of this Association.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of April, 2005.

Gene Norrett, Secretary/Treasurer