



BYLAWS OF WATERSCAPE INTERNATIONAL GROUP
A CALIFORNIA PUBLIC BENEFIT CORPORATION

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ARTICLE 1 OFFICES

§ 1. PRINCIPAL OFFICE

(a) The corporation's principal office for the transaction of its business is 102 Wilson Street, Albany, CA 94710. Business in this corporation may also be transacted over the Internet, through links available online at <http://www.waterscape.org>, and by email, mail, or phone.

(b) The address of the initial agent for service of process is 102 Wilson Street, Albany, CA 94710 in the county of Alameda County, California. The initial agent is Randolph B. Flay.

§ 2. CHANGE OF ADDRESS

(a) The county of the corporation's initial agent for service of process can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the address of the initial agent for service of process to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

_____ Dated: _____, 20__

_____ Dated: _____, 20__

_____ Dated: _____, 20__

§ 3. OTHER OFFICES

(a) The corporation may have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

ARTICLE 2 PURPOSES

§ 1. INTERNAL REVENUE CODE SECTION 501(C)(3) PURPOSES

(a) This corporation is organized exclusively for research and educational purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of

distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

§ 2. SPECIFIC OBJECTIVES AND ACTIVITIES

The specific objectives and activities of this corporation shall be:

(a) to perform research activities that advance the understanding, development, implementation, evaluation, administration, and management of public health and the environment; such activities may include, but are not limited to:

- (i) Monitoring public health indicators, such as morbidity and mortality, socio-economic or occupational indicators, or collecting such data from other organizations or agencies;
- (ii) Monitoring environmental indicators, such as surface and groundwater quality, air quality, soil quality, and other such indicators of environmental quality, locally, remotely, or by collecting it from other organizations or agencies;
- (iii) Collecting or obtaining data about public health or environmental management and/or regulatory activities, such as statutory law, case law, rules, other regulations, and the performance of governmental and private sector agencies in the areas of public health and the environment;
- (iv) Analyzing and interpreting the aforementioned data through a variety of techniques including: statistical or mathematical analysis, policy analysis, case studies, geographic information systems modeling, or other techniques;
- (v) Designing and developing tools that enable other organizations or agencies to monitor, store, analyze, interpret, and disseminate information on public health and the environment;
- (vi) Designing and implementing pilot projects that improve our understanding or ability to manage public health or the environment;
- (vii) Publishing and disseminating the results of the aforementioned activities in formats readily accessible to the public through our web site(s), printed materials, and other formats; and
- (viii) Partaking in other closely related research activities that may be designated by the Board of Directors and further the organization's charitable or public purposes.

And (b) to engage in educational activities that increase the ability of the public; agencies of federal, state, local, and foreign governments; students; and other groups to understand, research, and analyze public health and environmental issues; such activities may include, but are not limited to:

- (i) Authoring and publishing technical, training, and educational materials on topics such as environmental and public health analysis, system design, groundwater quality, surface water quality, and other topics in our spheres of research activities;
- (ii) Designing and performing training courses for governmental officials, public organizations, students, or private citizens to educate them about environmental and

- public health phenomena, and/or to train them on how to monitor, analyze, and interpret, public health or environmental information;
- (iii) Holding seminars or conferences to educate people and exchange information about environmental and public health phenomena;
 - (iv) Providing direct assistance to organizations or agencies that monitor, analyze, or disseminate information about public health and the environment;
 - (v) Developing and maintaining a web site (s), CD-ROMs, videos, presentations, and engaging in personal correspondence to provide other means for the public and other organizations to learn from our research and educational activities and
 - (vi) Partaking in other closely related educational activities that may be designated by the Board of Directors and further the organization's charitable or public purposes.

ARTICLE 3 DIRECTORS

§ 1. NUMBER AND TERMS OF OFFICE OF DIRECTORS

(a) The corporation shall have not less than three (3) and not more than nine (9) directors. Collectively, in their capacity as directors, they shall be known as the Board of Directors. Directors may serve concurrently as Officers. The number of Directors, between three (3) and nine (9), shall be determined by the Chairman of the Board of Directors and shall be reasonably diligent to ensure that terms of the Directors are staggered.

(b) Directors shall be elected by the Board of Directors every year for staggered 2-year terms. This election shall take place at the annual meeting.

(c) Part (b) of this Section notwithstanding, Initial Directors may be appointed by the Incorporator for other lengths of time not to exceed two years.

(d) Parts (a), (b), and (c) of this Section notwithstanding, Randolph B. Flay shall serve on the Board of Directors as Chairman at his leisure, in perpetuity. No other section of these Bylaws shall be construed to limit Part (d) of this Section.

§ 2. POWERS

(a) Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the Articles of Incorporation and Bylaws, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

§ 3. DUTIES

It shall be the duty of the directors to:

(a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws;

(b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all appointed officers, agents, and employees of the corporation;

(c) Supervise all appointed officers, agents, and employees of the corporation to assure that their duties are performed properly;

(d) Meet at such times and places as required by these Bylaws; and

(e) Register their addresses with the Executive Secretary of the corporation and notices of meetings mailed, emailed, faxed, or telegraphed to them at such addresses shall be valid notices thereof.

§ 4. COMPENSATION

(a) Directors shall serve without compensation except that they shall be allowed and paid reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as directors as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity unless such other compensation is reasonable and is allowable under the provisions of Section 5 of this Article.

§ 5. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

(a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable reimbursement of expenses paid to a director as director; or

(b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

§ 6. PLACE OF MEETINGS

(a) Meetings shall be held, on the Internet, by email, by telephone conference, by video conference, or in person at a location determined by the Chairman of the Board of Directors within or without the State of California. Any meeting, regular or special, held on the Internet, by email, by conference telephone, by video conference, or by similar communications equipment shall be valid, as long as all directors participating in such meeting can read, see, or hear one another and as long as all directors participating can respond in a timely manner.

§ 7. REGULAR MEETINGS

(a) An annual meeting of Directors shall be held each year on the 3rd Friday in May, unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same hour

and place on the next Friday. These meetings shall be known as the Annual Directors' Meeting. These meetings shall commence on 3rd Friday in May 2002.

§ 8. SPECIAL MEETINGS

(a) Special meetings of the Board of Directors may be called by the Chairperson of the board, the Executive Secretary, or by any two directors, and such meetings shall be held at the place, real or virtual, within or without the State of California, designated by the person or persons calling the meeting.

§ 9. NOTICE OF MEETINGS

(a) Regular and special meetings of the board shall be held upon seven (7) days' notice by e-mail, fax, or postal service. The notice shall be deemed to be delivered on its deposit in a corporation e-mail listserv to which the director is subscribed or on its delivery to the director's email address, or on sending the fax, or on its deposit in a postal service box. Such notices shall be addressed to each director at his or her email, fax, or postal address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

§ 10. CONTENTS OF NOTICE

(a) Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. Notice of meetings to be held using online communication technology shall specify the place and times of the meeting. The purpose of any board meeting need not be specified in the notice.

§ 11. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

(a) The transactions of any meeting of the board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

§ 12. QUORUM FOR MEETINGS

(a) A quorum shall consist of two (2) Directors.

(b) Directors will be considered present at a scheduled meeting if they maintain a phone, video conference, e-mail, or Internet connection to the meeting and can read, see, or hear, and can respond to all of the proceedings. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the board at any meeting at which a quorum, as herein defined, is not present, and the only motion which the

Chairman shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the board.

(c) When a meeting is adjourned for lack of a quorum, 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 at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 10 of this Article.

(d) The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

§ 13. MAJORITY ACTION AS BOARD ACTION

(a) Every act or decision done or made by a majority (greater than but not equal to 50%) of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation or Bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233) and indemnification of directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the board.

§ 14. CONDUCT OF MEETINGS

(a) Meetings of the Board of Directors shall be presided over by the Chairman of the Board or, in his absence, by an acting Chairman chosen by a majority of the directors present at the meeting.

(b) The Executive Secretary of the corporation shall act as secretary of all meetings of the board. In his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

(c) Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time to accommodate the communications technology used for the meetings, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this corporation, or with provisions of law.

§ 15. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

(a) Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the board" shall not include any "interested director" as defined in Section 5233 of the

California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of this corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

§ 16. VACANCIES

(a) Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director, and (2) whenever the number of authorized directors is increased.

(b) The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

(c) Any director may resign effective upon giving written notice to the Chairman of the Board, the Executive Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Attorney General.

(d) Vacancies on the board may be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole remaining director.

(e) A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board of Directors or until his or her death, resignation or removal from office.

§ 17. NON-LIABILITY OF DIRECTORS

(a) The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

§ 18. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

(a) To the extent that a person who is, or was, a director, officer, employee or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

(b) If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

§ 19. INSURANCE FOR CORPORATE AGENTS

(a) The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 4 OFFICERS

§ 1. NUMBER OF OFFICERS

(a) The Board of Directors shall elect three (3) officers from amongst the Board who shall also serve concurrently as the directors of the corporation. The officers of the corporation shall be a Chief Executive Officer, an Executive Secretary, and a Chief Financial Officer. The corporation may also have, as determined by the Board of Directors, one or more Assistant Secretaries, Assistant Treasurers, or other appointed officers.

(b) Any number of offices may be held by the same person except that neither the Executive Secretary nor the Chief Financial Officer may serve as the Chief Executive Officer or Chairman of the Board.

§ 2. QUALIFICATION, ELECTION, AND TERMS OF OFFICE

(a) Any Director may serve as Officer of this corporation.

(b) Officers shall be elected by the Board of Directors of the corporation at the Annual Meeting or by ballot within seven days after the meeting adjourns.

(c) The elected Officers of the corporation shall serve concurrently as both Officers and Directors for one year terms of office.

(d) Each Officer shall hold office until the end of the Annual Meeting one year after his or her election as specified in these Bylaws, and until his or her successor is elected and qualifies.

(e) Section 1 and Parts (a) through (d) of Section 2 of this Article notwithstanding, the Incorporator may select initial Officers to serve until the Annual Directors' Meeting in 2003.

(f) Section 1 and Parts (a) through (d) of Section 2 of this Article notwithstanding, Randolph B. Flay shall serve as Chief Executive Officer at his leisure, in perpetuity.

§ 3. SUBORDINATE OFFICERS

(a) The Board of Directors may appoint such other officers or agents as it may deem desirable, and such appointed officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

§ 4. REMOVAL AND RESIGNATION

(a) Section 2, Part (e) of this Article withstanding, any appointed officer may be removed, either with or without cause, by the Board of Directors, at any time.

(b) Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer or Executive Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

§ 5. VACANCIES

Any vacancy caused by the death, resignation, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of Chief Executive Officer, such vacancy may be filled temporarily by appointment by the Chief Executive Officer until such time as the Board may fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

§ 6. DUTIES OF CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall:

(a) Control the affairs of the corporation.

(b) Serve as ex-officio nonvoting member of other advisory committees.

(c) Supervise the activities of the officers.

(d) Develop and implement projects of the corporation in his field(s) of expertise.

(e) Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, execute, in the name of the corporation, such deeds, mortgages, bonds, contracts,

checks, or other instruments which may from time to time be authorized by the Board of Directors.

(f) Have charge and custody of and be responsible for, with the Chief Financial Officer, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

(g) Publicize and represent the corporation.

(h) Perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors.

§ 7. DUTIES OF THE EXECUTIVE SECRETARY

The Executive Secretary shall:

(a) Serve as a Director on the Board of Directors for the duration of his or her elected term.

(b) Serve as ex-officio nonvoting member of other advisory committees and content-area work groups.

(c) Certify and keep available at such place as the board may determine and online at the corporate web site, the original or a copy of these Bylaws as amended or otherwise altered to date.

(d) Keep at such place as the board may determine and online at the corporate web site the minutes, log, or archive of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

(e) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(f) Be custodian of the records of the corporation.

(g) Arrange for or exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request thereof, the Bylaws, the membership book and register, and the minutes of the proceedings of the directors of the corporation.

(h) Arrange for or maintain a corporate server or server account and domain name.

(i) Arrange for or design, and maintain corporate web pages, bulletin boards, forms, scripts, ballots, and other technical aspects of having a web presence.

(j) Arrange for or maintain online communications for committees, officers, and visitors; for elections; and for regular and special meetings of the membership and the Board of Directors.

(k) In general, perform all duties incident to the office of Executive Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

§ 8. DUTIES OF CHIEF FINANCIAL OFFICER

Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

(a) Serve as a Director on the Board of Directors for the duration of his or her elected term.

(c) Serve as Chair of the Planning and Finance Committee, in the event of its existence.

(d) Have charge and custody of and be responsible for, with the Chief Executive Officer, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

(e) Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

(f) Receive, and give receipt for, membership dues and donations paid with ATM or international bank card or another medium of electronic exchange.

(g) Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

(h) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

(i) Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request thereof.

(j) Render to the Chief Executive Officer and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation.

(k) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

(l) Post the financial statements to corporate web pages for the annual meetings of members and directors.

(m) In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

§ 9. COMPENSATION

(a) The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation, provided, however, that such compensation paid a director for serving as an officer of this corporation shall only be allowed if permitted under the provisions of Article 3, Section 4 of these Bylaws. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered for the corporation which relate to the performance of the charitable or public purposes of this corporation.

ARTICLE 5 COMMITTEES

§ 1. EXECUTIVE COMMITTEE

(a) The Board of Directors may, by a majority vote of directors, designate two (2) or more of its members (who may also be serving as officers of this corporation) to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the board in the management of the business and affairs of the corporation, except with respect to:

(i) The filling of vacancies on the board or on any committee which has the authority of the board.

(ii) The fixing of compensation of the directors for serving on the board or on any committee.

(iii) The amendment or repeal of Bylaws or the adoption of new Bylaws.

(iv) The amendment or repeal or any resolution of the board which by its express terms is not so amendable or repealable.

(v) The appointment of committees of the board or the members thereof.

(vi) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected.

(vii) The approval of any transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

(b) By a majority vote of the directors then in office, the board may at any time revoke or modify any or all of the authority so delegated to the committee, increase or decrease but not below two

(2) the number of its members, and fill vacancies therein from the members of the board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

§ 2. OTHER COMMITTEES

(a) The corporation may have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the board. These additional committees shall act in an advisory capacity only to the board and shall be clearly titled as "advisory" committees.

§ 3. MEETINGS AND ACTION OF COMMITTEES

(a) Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE 6 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

§ 1. EXECUTION OF INSTRUMENTS

(a) The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

§ 2. CHECKS AND NOTES

(a) Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Chief Financial Officer or the Chief Executive Officer of the corporation.

§ 3. DEPOSITS

(a) All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

§ 4. GIFTS

(a) Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE 7 CORPORATE RECORDS, REPORTS AND SEAL

§ 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep available at such place as the board may determine in the State of California:

(a) Minutes of all meetings of directors, committees of the board and of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;

(b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses; and

(c) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members of the corporation on demand and at the corporate web site.

§ 2. CORPORATE SEAL

(a) The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at such place as the board may determine or in the care of the Executive Secretary. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

§ 3. DIRECTORS' INSPECTION RIGHTS

(a) 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.

§ 4. RIGHT TO COPY AND MAKE EXTRACTS

(a) Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

§ 5. ANNUAL REPORT

The board shall cause an annual report to be furnished not later than one hundred and eighty (180) days after the close of the corporation's fiscal year to all directors of the corporation, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year; and
- (e) The certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

§ 6. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS

(a) This corporation shall mail or deliver to all directors a statement within one hundred and eighty (180) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

(1) Any director or officer of the corporation, or its parent or subsidiary (a mere common directorship shall not be considered a material financial interest); or

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

(b) The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than FIFTY THOUSAND DOLLARS (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than FIFTY THOUSAND DOLLARS (\$50,000).

(c) Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than TEN THOUSAND DOLLARS (\$10,000) paid during the previous fiscal year to any director or officer, except that no such statement need be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

(d) Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, 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.

ARTICLE 8 FISCAL YEAR

§ 1. FISCAL YEAR OF THE CORPORATION

(a) The fiscal year of the corporation shall begin on the 1st of November and end on the 31st of October in each year.

ARTICLE 9 AMENDMENT OF BYLAWS

§ 1. AMENDMENT

(a) Article 4, Section 2, Part (f) and Article 3, Section 1 Part (d) withstanding and subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by approval of the Board of Directors.

ARTICLE 10 AMENDMENT OF ARTICLES

§ 1. AMENDMENT OF ARTICLES

(a) Any amendment of the Articles of Incorporation may be adopted by approval of the Board of Directors.

§ 2. CERTAIN AMENDMENTS

(a) Notwithstanding the above Section 1 of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE 11 PROHIBITION AGAINST SHARING CORPORATE PROFITS

§ 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS

No member, director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to

any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

WRITTEN CONSENT OF INCORPORATOR ADOPTING BYLAWS

I, the undersigned, am the sole incorporator named in the Articles of Incorporation of Waterscape International Group, a California Public Benefit Corporation, and, pursuant to the authority granted to the sole incorporator in Section 5134 of the Corporations Code of California, consent to, and hereby do, adopt the foregoing Bylaws, consisting of 18 pages, as the Bylaws of this corporation.

Dated: May 15th, 2001

Randolph B. Flay, Sole Incorporator