

**BY-LAWS OF CCIDC, INC.**  
**dba CALIFORNIA COUNCIL FOR INTERIOR DESIGN CERTIFICATION**

**A Nonprofit Mutual Benefit Corporation**

**RECITALS**

Purpose

This Corporation is a non-profit mutual benefit corporation organized solely for public purposes under relevant provisions of the California Corporations Code. The Corporation's Mission Statement is to establish and implement professional standards and educational requirements, educate the public, and facilitate interior design professional's compliance with our standards and code of ethics in order to provide for the protection, health, safety and welfare of the public.

**ARTICLE I - OFFICES**

Principal Office

Section 1.01. The principal office of the Corporation for its transaction of business is 1605 Grand Avenue, Suite 4, San Marcos, CA 92069.

Change of Address

Section 1.02. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another County in the State of California. Any such change shall be noted by the Secretary in these By-laws, but shall not be considered an amendment of these By-laws.

**ARTICLE II – CERTIFICATE HOLDERS**

Classification of Certificate Holders

Section 2.01. The Corporation shall have one (1) class of Certificate Holders, and each Certificate Holder shall have equal rights. No person shall hold more than one Certificate in the Corporation.

Eligibility for Certificate Holder

Section 2.02. Any person, as defined in Section 5065 of the Corporations Code, is eligible to be a Certificate Holder of the Corporation, except that, in the case of a natural person, such person shall not be eligible for Certificate Holder unless over the age of eighteen (18) years.

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### Qualification of Certificate Holder

Section 2.03. Certificate Holders of the Corporation shall be limited to persons who meet the qualifications set forth in Division 3, Chapter 3.9 (Section 5800 et. seq.) of the California Business and Professions Code, or successor statutes, and who are certified as Certified Interior Designers (“CIDs”) in this State in accordance with the terms and conditions contained in these By-laws or the Administrative Rules and Regulations adopted by the Directors.

### Admission to Certificate Holder

Section 2.04. Any person eligible and qualified to be a Certificate Holder under these By-laws shall be admitted to become a Certificate Holder upon the approval of the Board of Directors (or Compliance Committee duly authorized, by resolution, to admit Certificate Holders) and submission of an application submitted by such person in such form and in such manner as shall be prescribed by the Board of Directors, and upon the payment of the minimum annual fees, if any, outlined in these By-laws or the Administrative Rules and Regulations adopted by the Board of Directors.

### Certificate Holder’s Term

Section 2.05. The term of a Certificate Holder’s certification shall continue until terminated as provided in these By-laws, the Administrative Rules and Regulations, or the Code of Ethics and Conduct.

### Certificate Holder’s Fees

Section 2.06. The minimum annual fees, and other fees payable to the Corporation by Certificate Holders shall be as provided in the Administrative Rules and Regulations.

### Assessments

Section 2.07. Certificate Holder’s rights and interests in the Corporation shall be non-assessable.

### Number of Certificate Holders

Section 2.08. Except as may be provided by law, there shall be no limit on the number of Certificate Holders the Corporation may admit.

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### Transferability of Certificate

Section 2.09. Certification in the Corporation is personal to the Certificate Holders, and neither the Certificate Holders of the Corporation nor any rights of their certification may be transferred or assigned for value or otherwise, whether voluntarily or by operation of law.

### Record of Certificate Holders

Section 2.10. The Corporation shall keep, in written form (or in any form capable of being converted into written form), a book containing the name, address of each Certificate Holder. The book shall also contain the fact of termination and the date on which such certification ceased. Such book shall be kept in the principal office of the Corporation and shall be subject to the rights of inspection required by law and as set forth in these By-laws.

### Non-liability of Certificate Holders

Section 2.11. A Certificate Holder of the Corporation shall not, under any circumstances, by reason of such certification in the Corporation, become or be personally liable for any of the debts, obligations, or liabilities of the Corporation.

### Voting Rights

Section 2.12. Except as is required by applicable law, Certificate Holders shall not have any vote in the affairs of the Corporation.

### Termination of Certification

#### Causes

#### Section 2.13.

(a) All rights of certification of a Certificate Holder shall automatically terminate on the occurrence of any of the following causes:

- (1) The voluntary resignation of a Certificate Holder;
- (2) Where a certification is issued for a period of time, the expiration of such period of time;
- (3) The death of a Certificate Holder;

(4) The expulsion, revocation, or suspension of a Certificate Holder's certification in the Corporation;

(5) The dissolution of corporate Certificate Holder's; or

(6) The non-payment of fees and other charges outlined in the Administrative Rules and Regulations.

#### Effect of Termination

(b) The rights of a Certificate Holder in the Corporation shall cease on the termination of such Certificate Holder's certification with the Corporation.

#### Expulsion, Revocation, or Suspension of a Certificate Holder

Section 2.14. A Certificate Holder may be expelled as a Certificate Holder of the Corporation, or may have their certification with the Corporation revoked or suspended, for the nonpayment of the Certificate Holder's financial obligations to the Corporation, for conduct as a Certificate Holder which is found by the Corporation to be in violation of these By-laws, the Administrative Rules and Regulations, or Code of Ethics and Conduct adopted by the Board, or for conduct which is detrimental to the interests of the Corporation or the other Certificate Holders of the Corporation. Expulsion of a Certificate Holder or revocation of such Certificate Holder's certification in the Corporation, notice to such Certificate Holder, appeals, and other actions related to the revocation, suspension, or expulsion of a Certificate Holder shall occur by action of the Board and in accordance with methods and procedures outlined in the Administrative Rules and Regulations of the Corporation. A Certificate Holder shall have no voting rights if expelled, or if such Certificate Holder's certification is suspended or revoked. A Certificate Holder shall further have no voting rights for the period such Certificate Holder's certification is suspended.

#### Inactive Certification Status

Section 2.15. A Certificate Holder may at any time request that their certification be placed on inactive status by serving written notice to the Corporation prior to the expiration of such Certificate Holder's certification. The Corporation shall determine the terms and conditions under which such requests will be granted.

#### Certificate Holders' Meetings

Section 2.16. Meetings of the Certificate Holder's shall only occur as required, and upon

the terms and conditions, by the Corporations Code or other applicable law.

### **ARTICLE III - BOARD OF DIRECTORS**

#### Classification of Board of Directors

Section 3.01. The Corporation shall have one (1) class of Directors only, and each Director shall have equal voting and other rights. No person shall hold more than one (1) directorship position on the Board of Directors in the Corporation.

#### Eligibility for Board of Directors

Section 3.02. Any person, as defined in Section 5065 of the Corporations Code, is eligible to be a Director of the Corporation, except that, in the case of a natural person, such person shall not be eligible for Director unless over the age of eighteen (18) years.

#### Qualification of the Board of Directors

Section 3.03. Any person eligible for the Board of Directors under Article III of these By-laws is qualified for the Board of Directors only after such person has satisfied that, if such person be a corporation, that the corporation is in good standing; and that if such person be a natural person, that such person is of good moral character and in sympathy with the objectives of this Corporation. All Directors shall be residents of California. Except for the Public Directors, all Directors must further be qualified as Certificate Holders as provided in Article II of these By-laws.

(a) Except for the Independent Director, all Professional Interior Design Organization Directors shall be professional members in good standing of their respective organizations and must maintain current professional membership status in such organizations for the duration of their term on the Corporation's Board of Directors, as defined in Article III, Section 3.04(a).

(b) Employees of the Corporation are not eligible to serve on the Board.

#### Number of Directors

Section 3.04. The authorized number of Directors of the Corporation is eleven (11). The eleven (11) Directors of the Corporation shall consist of:

(a) One member from each of the following five (5) interior design organizations (hereinafter referred to as the "Professional Interior Design Organization Directors"):

(1) ASID;

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- (2) IDS;
- (3) IFDA;
- (4) IIDA; and
- (5) NKBA.

(b) One (1) member not affiliated with any of the above-listed Professional Interior Design Organizations (the “Independent Director”);

(c) One IDEC member (the “IDEC Director”); and

(d) Four (4) individuals who shall not be professionally familiar and associated with the design, construction, building, or furniture industries (the “Public Directors”).

#### Term, Appointment, and Election of Directors

Section 3.05. Of the eleven (11) Directors of the Board, six (6) shall be appointed in the manner provided in this Article III, and five (5) shall be appointed by the Nominating Committee established by the Board as provided in these By-laws.

#### Initial Directors

(a) The initial Directors shall be appointed to the Board as follows:

(1) Collectively the California Chapter Presidents of each Professional Interior Design Organization listed above shall initially select one (1) Director who the incorporator of the Corporation shall appoint as an initial Director of the Corporation. Such person shall be a professional member of the same professional interior design organization and shall also satisfy the requirements to be a Certificate Holder of the Corporation. The term of a Professional Interior Design Organization Director shall run until such Director’s Professional Interior Design Organization removes him or her from the Board and replaces him or her with a new Director, such Director’s term expires or terminates, or until such Director is removed, resigned, or whose directorship is otherwise terminated by the Corporation. The term of a Professional Interior Design Organization Director shall be for a period of three (3) years, with the term of all Directors always ending in the month of May of the third . In the event the Professional Interior Design Organization removes a Director, the new Director shall inherit the remaining term of the Director who was replaced.

(2) The Independent Director shall be initially appointed by the incorporator of the Corporation who shall represent those members of the Corporation not affiliated with a Professional Interior Design Organization. The term of the Independent Director shall be for a period of three (3) years, or until the Independent Director is removed, resigned, or whose directorship is otherwise terminated. An Independent Director must also qualify as a member of the Corporation as outlined in Article II.

(3) The President of IDEC shall initially select one (1) Director who the incorporator of the Corporation shall appoint as an initial Director of the Corporation. The term of the IDEC Director shall be for a period of three (3) years, or until the IDEC Director is removed, resigned, or whose directorship is otherwise terminated. The IDEC Director must also qualify as a member of the Corporation as outlined in Article II.

(4) The four (4) Public Directors shall be initially appointed by the incorporator of the Corporation. The term of the Public Directors shall each be for a period of three (3) years, or until a Public Director is removed, resigned, or whose directorship is otherwise terminated.

(5) In the event the primary purpose of forming the Corporation is for the continuation of the business and operations of the California Council for Interior Design Certification, Inc., a California mutual benefit corporation (“CCIDC”), as part of CCIDC’s efforts to comply with new California legislation, then the initial Directors of the Corporation shall be those persons who were on the CCIDC’s board of directors immediately prior to the formation of the Corporation. The term of the Directors of the Corporation shall be the same length of time remaining in their directorship on the board of directors of CCIDC.

(6) In the event the Directors are not appointed to the Board in the manner stated in Section 3.05(a)(4) above, then the Nominating Committee shall randomly select four (4) Directors to each serve one (1) year terms, four (4) Directors to serve two (2) year terms, and three (3) Directors to serve three (3) year terms. After this one (1) time random selection, all subsequent Directors appointed to the Board shall serve three (3) year terms unless their term terminates prior to the expiration of their three (3) year term.

#### Successor Directors

(b) The appointment of Successor Directors for the Corporation shall occur in the following manner:

#### Professional Interior Design Organization Directors

(1) In the event a Professional Interior Design Organization removes the Director representing such Professional Interior Design Organization, or such Director’s term expires or terminates, then such Professional Interior Design Organization shall replace the removed

Director with a new Director within fifteen (15) days of such event. The Professional Interior Design Organization shall further notify the Secretary of the Corporation of name and address of the new Director within this same fifteen (15) day period. In the event the Corporation removes a Professional Interior Design Organization Director, then the Corporation shall notify the Professional Interior Design Organization represented by that Director, and the Professional Interior Design Organization whose Director was removed shall replace the removed Director with a new Director within fifteen (15) days of being notified by the Corporation that such Professional Interior Design Organization's Director was removed by the Corporation.

(a) In no event shall the Corporation be responsible for the appointment or nomination of a Professional Interior Design Organization Director. The Corporation's only responsibility is to confirm or deny such appointments or nominations proposed to the Corporation by such Professional Interior Design Organizations. In the event the Board rejects a proposed Professional Interior Design Organization Director to act on the Board, then the proposing Professional Interior Design Organization shall provide the Corporation with another nominee to act as a Director of the Corporation within fifteen (15) days of being notified of the Corporation's rejection of the proposed nominee. This process shall thereafter continue until the Board approves a nominee by such Professional Interior Design Organization as a Director of the Corporation. In the event the Professional Interior Design Organization Director fails to comply with the provisions of these By-laws, the Nominating Committee shall appoint, and notify the Professional Interior Design Organization of the appointment of a temporary Director until a Director is appointed representing such Professional Interior Design Organization.

(b) The Corporation shall at all times determine and define the Professional Interior Design Organizations that hold positions on the Board of Directors. In the event of the termination, dissolution, or other terminating event, or in the event it is no longer appropriate for a Professional Interior Design Organization to have a seat on the Board for a reason determined at the Corporation's discretion, the seat of such Professional Interior Design Organization shall be removed from the Board upon the expiration of the term of the Director appointed by such Professional Interior Design Organization, with such vacancy being filled at the option of the Board as provided in these By-laws.

#### Independent Director

(2) Subsequent to the initial appointment and upon expiration of the Independent Director's initial term, the Independent Director shall recommend candidates to serve as a Director in his or her place and stead. Among such candidates, the Nominating Committee of the Board may select for ratification by the board one (1) person from such list of candidates to be the next Independent Director.

#### Public Directors

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(3) Subsequent to the initial appointment and upon expiration of a Public Director's term, the Board shall solicit from the interior design profession and industry names of prospective candidates to serve as a successor Public Director(s). Among such candidates, the Nominating Committee may select for ratification by the board one (1) or more persons from such list of candidates to serve as the next Public Director(s).

#### Miscellaneous Provisions Relating to Directors

(c) Except as otherwise provided in these By-laws, all vacancies on the Board shall be filled by the Nominating Committee upon ratification by the board.

(d) Except as otherwise provided in these By-laws, each elected or appointed Director shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

(e) No Director shall serve more than two (2) full consecutive terms.

(f) A Director who has previously served two (2) full consecutive three year terms may be re-nominated to the Board after a one (1) three year term break.

(g) To the extent it is possible, the membership of the Board should reasonably reflect representation from the various geographic areas of the state.

(h) No Director shall move from one class of seat on the Board to another class of seat without one (1) three year term break in order to serve beyond two (2) full consecutive three year terms.

#### Resignation and Removal of Directors

Section 3.06. The Board may declare vacant the office of a Director who is subject to those termination events outlined in this Article III.

#### Assessments

Section 3.07. Directorships shall be non-assessable.

#### Transferability of Directorship

Section 3.08. Neither the Directors of the Corporation nor any rights associated with such directorship may be transferred or assigned for value or otherwise.

#### Board of Directors Membership Book

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Section 3.09. The Corporation shall keep, in written form (or in any form capable of being converted into written form), a directorship book containing the name, address of each member of the Board of Directors. The book shall also contain the facts of termination and the date on which such membership to the Board of Directors ceased. Such book shall be kept in the principal office of the Corporation and shall be subject to the rights of inspection required by law, and as set forth in these By-laws.

### Inspection Rights of Members of the Board of Directors

#### Demand

#### Section 3.10.

(a) Subject to the Corporation's right to set aside a demand for inspection pursuant to Section 8330 et. seq. of the Corporations Code and the power of the court to limit inspection rights pursuant to relevant provisions of the Corporations Code, and unless the Corporation provides a reasonable alternative as provided in these By-laws, a Director satisfying the qualifications set forth hereinafter may do either or both of the following:

(1) Inspect and copy all records available to such Director pursuant to applicable provisions of the Corporations Code, at reasonable times, on five (5) business days' prior written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested; or

(2) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, copies of all records available to such Director pursuant to applicable provisions of the Corporations Code. The demand shall state the purpose for which the list is requested. The records shall be available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

#### Directors Permitted to Exercise Rights of Inspection

(b) The rights of inspection set forth in Section 3.10(a) of these By-laws may be exercised by the following:

(1) Any Director, for a purpose reasonably related to such Director's interest as a Director;

(2) The authorized number of Directors for a purpose reasonably related to the Directors' interest as Directors.

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### Alternative Method of Achieving Purpose

(c) The Corporation may, within ten (10) business days after receiving a demand pursuant to Section 3.10(a) of these By-laws, deliver to the Director or Directors making the demand, a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of such records the Board of Directors. An alternative method, which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made pursuant to these By-laws, shall be deemed reasonable; unless within a reasonable time after acceptance of the offer, the Corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing, and shall indicate the reasons the alternative proposed by the Corporation does not meet the proper purpose of the demand made pursuant to Section 3.10(a) of these By-laws.

### Denial of Request

(d) If the Corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a Director's interest as a Director, the Corporation may deny the Director access to the Membership List and the list of the Board of Directors.

### Authorized Inspectors

(e) Any inspection and copying under these By-laws may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts. This right of inspection extends to the records of a subsidiary of the Corporation, if any.

### Non-liability of Directors

Section 3.11. A Director of the Corporation shall not, under any circumstances, by reason of such membership to the Board of Directors, become or be personally liable for any of the debts, obligations, or liabilities of the Corporation.

### Termination of Directorship to Board of Directors

Section 3.12. A Director's directorship to the Board of Directors, and all rights of membership to the Board of Directors shall automatically terminate on the occurrence of any of the following events:

- (a) The voluntary resignation of a Director;
- (b) Where a membership to the Board of Directors is issued for a period of time, the

expiration of such period of time;

- (c) The death of a Director;
- (d) The dissolution of an incorporated Board member;
- (e) The dissolution of a corporation or other organization that has a representative on the Board;
- (f) The Director has been declared of unsound mind by a final order of court;
- (g) The Director has been convicted of a felony;
- (h) The Director has failed to attend at least fifty percent (50%) of all scheduled meetings of the Board of Directors determined within a twelve (12) consecutive month period of time; or
- (i) The removal of a Director as provided in these By-laws.

#### Reduction in Number of Directors

Section 3.13. Any reduction in the number of Directors on the Board shall not act to remove any Director prior to the expiration of such Director's term of office, with the reduction in the number of Directors of the Corporation also being effective only after such matter is approved by the requisite number of Directors at a duly called meeting of the Directors as provided for in these By-laws.

#### Procedure for Termination

Section 3.14. If grounds appear to exist for terminating a Director under Article III of these By-laws, the following procedure shall be followed:

(a) Upon the vote of at least two-thirds (2/3) of the Board, the Board shall give the Director at least fifteen (15) days' prior notice of the proposed termination and the reasons for the proposed termination by personal delivery or other method customary to the Board. Notice shall be given by any method reasonably calculated to provide actual notice. In the event notice by personally delivery or by such other customary method is ineffective, the Board's may give notice by mail sent by first-class, postage pre-paid, to the Director's last address as shown on the Corporation's records in the same time frame as outlined in this subparagraph.

(b) The Director shall be given an opportunity to be heard by the Board, or an appropriate committee of the Board, either orally or in writing, at least five (5) days before the

effective date of the proposed termination. The hearing shall be held, or the written statement considered, by the Board or by a committee authorized by the Board to determine whether the termination should occur.

(c) The Board, or an appropriate committee of the Board, shall decide whether the Director should be terminated. All decisions of the Board, or an appropriate committee of the Board, shall be final with regard to termination of Directors.

(d) All Directors agree that, by their appointment to the Board of Directors, any action challenging the termination, including a claim alleging defective notice, must be commenced within one (1) year after the date of the termination of their directorship with the Corporation.

(e) It is the intent of the Corporation that, unless required by the Corporations Code or other applicable law, that the certificate holders of the Corporation have no voting rights to elect, appoint, or remove Directors of the Corporation, and shall have no right to remove any or all the Directors of the Corporation.

#### Effect of Termination

Section 3.16. The rights of a former Director in the Corporation shall cease on the termination date of such Director's membership.

#### Replacement of Removed or Terminated Director

Section 3.17. The replacement of the Director whose directorship on the Board was terminated or expired shall occur in the same manner, and upon the same terms, conditions, and timeliness as outlined in Sections 3.04 and 3.05 of these By-laws relating to the appointment of successor Directors. In the event, however, that such vacancy has not been filled as provided in this Article III within thirty (30) days that the vacancy began, then the Board shall fill such vacancy by the vote of a majority of the Directors at a duly called and noticed meeting of the Directors until such vacancy is otherwise filled as provided in these By-laws. In the event the Directors are unable to obtain a majority vote for the appointment of a temporary Director to fill such a vacancy, then the President of the Board of the Corporation shall be the tie-breaker in any such actions of the Directors to determine which nominee shall act as a temporary Director of the Board to fill such vacancy.

#### Compensation of Directors

Section 3.18. The Directors shall not be compensated by the Corporation; provided, however, that a Director may be entitled to reimbursement of costs incurred by such Director in direct relation to the Director's services as a Director of the Corporation as approved by the Board of Directors.

## **ARTICLE IV - MEETINGS OF BOARD OF DIRECTORS**

### Place

Section 4.01. Meetings of the Board of Directors shall be held at the principal office of the Corporation, or at such other location within the State of California as may be designated from time to time by the Board of Directors.

### Date and Time

Section 4.02. The Directors shall meet at least annually during the month of May each year for the purpose of transacting such proper business as may come before the meeting. If the day fixed for the regular meeting of Directors falls on a legal holiday, such meeting shall be held at the same hour and place on the next succeeding day.

### Special Meetings

Section 4.03. Special meetings of Directors shall be called by a majority of the Board of Directors, the Chairperson of the Board of Directors, or the President of the Corporation to be held at the principal office of the Corporation, or at such times and places within the State of California as may be ordered by resolution of the Board of Directors. Where the purpose of the special meeting is the removal of Directors and the election of their replacements, a majority of the Directors of the Corporation may call special meetings for such purpose. No business, other than the business that was set forth in the notice of the special meeting, may be transacted at a special meeting.

### Notice of Meetings

Section 4.04. Written notice of every meeting of Directors shall be either personally delivered, mailed by first-class or registered or certified United States mail, postage prepaid, sent to the Directors via facsimile, or sent to the Directors some other reliable form of electronic communication no later than twenty (20) days before the date of the meeting to each Director who on the record date for notice of the meeting is entitled to vote thereat. There shall be some form of proof of delivery available to the Corporation when using electronic communications or facsimile to deliver notices to the Directors of meetings. In the event given by mail or other means of written communication, the notice shall be addressed to the Director at the address of such Director appearing on the books of the Corporation or at the address given by the Director to the Corporation for the purpose of notice. Where no such address appears or is given, notice shall be given at the principal office of the Corporation or by publication in any newspaper of

general circulation in the county in which the principal office of the Corporation is located. The Secretary or Assistant Secretary of the Corporation, or any transfer agent specially designated by the Secretary or Assistant Secretary for the purpose herein mentioned, shall execute an affidavit of the giving of the notice of the meeting of Directors. In the case of a specially called meeting of Directors, notice that a meeting will be held at a time requested by the person or persons more than ninety (90) days after receipt of the written request from such person or persons by the Chairperson of the Board, the President, Vice-Chairpersons, or Secretary of the Corporation, shall be sent to the Directors forthwith and in any event no later than twenty (20) days after the request was received.

(a) When a Directors' meeting is adjourned to another time or place, and if the adjournment is for more than forty-five (45) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Director of record entitled to vote at the meeting.

#### Contents of Notice

Section 4.05. The notice shall state the place, date, and time of the meeting. In the case of regular meetings, the notice shall state those matters which the Board of Directors at the time the notice is given, intends to present for action by the Directors. The notice of any meeting at which Directors are to be elected, or whose appointment is to be confirmed, shall include the names of all those who are nominees or appointees at the time the notice is given to the Directors. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted.

#### Notice of Certain Agenda Items

Section 4.06. Approval by the Directors of any of the following proposals, other than by unanimous approval by those Directors entitled to vote, is valid only if the notice or written waiver of notice states that general nature of the proposal or proposals:

- (a) Removing a Director;
- (b) Amending the Articles of Incorporation, these By-laws, the Administrative Rules and Regulations, or the Code of Ethics and Conduct; or
- (d) Electing to wind up and dissolve the Corporation.

#### Waivers, Consents, and Approvals

Section 4.07. The transactions of any meeting of Directors, however called and noticed, and wherever held, shall be as valid as though at a meeting duly held after regular call and

notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote but not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

#### Quorum

Section 4.08. A quorum at any meeting of Directors shall consist of seventy percent (70%) of the Directors represented in person and entitled to vote. For purposes of this By-law, "entitled to vote" is defined as the power to vote for the election of Directors at the time any determination of voting power is made and does not include the right to vote on the happening of some condition or event which has not yet occurred.

#### Loss of Quorum

Section 4.09. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business until the withdrawal of enough Directors leave less than a quorum, if such action taken, other than adjournment, is approved by at least a majority of Directors required to constitute a majority of a quorum.

#### Adjournment for Lack of Quorum

Section 4.10. In the absence of a quorum, any meeting of Directors may be adjourned from time to time by the vote of a majority of the votes represented either in person or by proxy, but no other business may be transacted except as provided in Section 4.09 of these By-laws.

#### Voting of Board of Directors

##### One Vote Per Director

Section 4.11. Each Director is entitled to one vote on each matter submitted to a vote of the Directors.

#### Indivisible Interest in Single Membership in Board of Directors

(a) Single memberships in Board of Directors in which two (2) or more persons have an indivisible interest shall be voted as set forth in Section 4.11(b) of these By-laws relating to the voting of memberships in two (2) or more names.

#### Membership in Board of Directors in Two or More Names

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(b) Where a membership in Board of Directors stands of record in the names of two (2) or more persons, whether fiduciaries, members or representatives of a partnership or other organization, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, or otherwise, or if two (2) or more persons (including proxy holders) have the same fiduciary relationship respecting the same membership, unless the Secretary of the Corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: if only one (1) person votes, such act shall bind both or all persons; and if more than one (1) person votes in varying manners, the act of the majority so voting shall bind all persons.

#### Record Date of Membership in Board of Directors

(c) The record date for the purpose(s) of determining the Directors entitled to vote at and to notice a meeting of Directors, is thirty (30) days before the date of the meeting of Directors.

#### Cumulative Voting

(d) Cumulative voting shall not be authorized for the election of Directors or for any other purpose.

#### Proxy Voting

(e) Directors entitled to vote shall not be permitted to vote or act by proxy. Any amendment of this provision creating or expanding proxy rights shall be adopted with approval by the Directors. For purposes of this provision of these By-laws, "approval by the members" shall assume the same definition set forth in Section 5034 of the Corporations Code.

#### More than One (1) Director Claiming Rights to Directorship Position

(f) In the event more than one (1) person attends a meeting of the Board claiming to be a Director of the Corporation's Board representing a Professional Interior Design Organization, the Corporation shall not allow either person to vote at the meeting. The Corporation shall thereafter contact the president of such Professional Interior Design Organization requesting the name of the person authorized to act as Director on behalf of such Professional Interior Design Organization, and the president shall deliver this information in written form to the Corporation within two (2) days of this request. Applicable provisions of law and these By-laws regarding director meetings shall be applied to the minimum extent necessary in the event of the occurrence outlined in this subparagraph.

#### Action Without Meeting by Written Ballot

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## Ballot Requirements

### Section 4.12.

(a) Any action which may be taken at any regular or special meeting of Directors may be taken without a meeting. If an action is taken without a meeting, the Corporation shall distribute a written ballot to every Director entitled to vote on the matter. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Corporation. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

### Solicitation of Ballots

(b) Ballots shall be solicited in a manner consistent with the requirements of giving notice of meetings set forth in Section 4.04 of these By-laws, and of voting by written ballot set forth in Section 4.12 of these By-laws. All such solicitations shall indicate the number of responses needed to meet the quorum requirements and shall state the percentage of approvals necessary to pass the measure submitted. The solicitation shall specify the time by which the ballot must be received in order to be counted.

(c) Action under this Section 4.12 is only an optional method

## Conduct of Meetings

### President

### Section 4.13.

(a) The President or, in his or her absence, the Vice President, or any other person chosen by a majority of the voting Directors, present in person shall be Chairperson of and shall preside over the meetings of the Directors.

### Secretary of Meetings

(b) The Secretary of the Corporation shall act as the secretary of all meetings of Directors; provided that in his or her absence, the Chairperson of the meetings of Directors shall appoint another person to act as secretary of the meetings.

## Rules of Order

(c) The Robert's Rules of Order, as may be amended from time to time, shall govern the meetings of Directors insofar as such rules are not inconsistent with or in conflict with these By-laws, the Articles of Incorporation of this Corporation, or applicable law.

## Required Vote of the Directors

Section 4.15. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting. Notwithstanding any provision to the contrary, the following matters require the minimum approval of the number of Directors as specified in these By-laws:

- (a) Adoption, amendment or repeal of articles of incorporation, bylaws, Administrative Rules and Regulations or Code of Ethics and Conduct; or
- (b) Appointment of a Chairman of the Board or President.
- (c) An increase or reduction in the number of Directors serving on the Board.

## **ARTICLE V – POWERS AND RESPONSIBILITIES OF THE BOARD**

### Powers and Responsibilities of the Board.

Section 5.01. The powers and responsibilities of individual directors of the Board shall be as follows:

- (a) Administer and enforce all provisions of the certification criteria established by California law, as defined in the Administrative Rules and Regulations and subsequent provisions as approved and adopted by the Corporation's Board.
- (b) Monitor all changes and revisions in California State law with regard to the certification criteria and adopt provisions as necessary to maintain compliance.
- (c) Review and approve all applications for certification.

(1) The Board shall not be required to review each and every application for certification. The Board shall direct the Executive Vice President and the staff of the

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Corporation. The Executive Vice President and the Corporation's staff shall thoroughly examine each application for certification to ensure each applicant's satisfaction of conformance with the certification criteria. The Executive Vice President and the Corporation's staff shall then present those applications to the Board for signed approval by a Director. The Board may randomly sample the applications in order to verify conformance with the certification criteria.

(2) It will also be the Board's responsibility to monitor and ensure that all applicants who are denied certification are properly and timely notified with regard to the denial of his/her application for certification and the reason(s) for such denial so that he/she may remedy his/her qualifications or requirements and to meet the certification criteria. This task will also be carried out by the Executive Vice President and Corporation staff.

(d) Interpret and enforce the Code of Ethics and Conduct for Certified Interior Designers established by the Certification Task Force. The Board shall ensure its distribution to all applicants and Certified Interior Designers. The Board, at its discretion, may amend the Code of Ethics and Conduct, and the Administrative Rules and Regulations, as it deems necessary by vote of two-thirds (2/3) of the Directors.

(e) Establish a procedure for conducting hearings and appeals with regard to complaints from the public. A forum shall be devised for hearing from both sides in a dispute. This shall be in a written submission form so the Board can make a determination. If the Board determines it cannot make a decision based upon the written submission, the Board may elect to conduct a public hearing. The Board is concerned with violations of the Code of Ethics and Administrative Rules and Regulations only. Any other disputes between a member of the public and a Certified Interior Designer must be resolved through other avenues. The Board's power to discipline a Certified Interior Designer found guilty of violating the Code of Ethics and Administrative Rules and Regulations and conduct shall be limited to denial of any application for re-certification or suspension of such member's certification for a period of time as determined by the Board.

(f) Establish internal operating rules through bylaws and resolutions.

(g) Establish policies, goals, objectives, priorities, timetables, procedures and position statements in furtherance of the law and the profession.

(h) Authorize material transactions, investments, acquisitions, expenditures, etc.

(i) Select and hire an Executive Vice President, direct and monitor his/her performance, and remove him/her, if necessary. The Executive Vice President shall exercise the powers and perform the duties delegated by the Board and vested in him/her by the Corporation's Administrative Rules and Regulations adopted by the Board.

(j) Establish, maintain and periodically review personnel policies. The Board shall,

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together with the Executive Vice President, prepare a written personnel policy and procedure manual.

(k) Monitor corporate finances (both income and expenditures) through financial reports prepared by an independent accounting expert. The Board shall hire an independent CPA auditor, separate from Corporation's accountant, to conduct an annual audit of the finances and to prepare an executive management report relating to the operation of the Corporation.

(l) Establish and approve annual operating budgets based upon projected income and expenditures prior to the end of each fiscal year.

(m) Monitor and evaluate implementation of all Board policies and decisions.

(n) Monitor and set all fees with regard to the application and certification process. Fees shall be set in accordance with guidelines established by the State of California.

(o) Maintain the official roster of all Certified Interior Designers in the State of California.

(p) Adopt a common seal and protect the same from misuse, misrepresentation and copyright infringement.

(q) Promote certification as a standard for interior designers in the State of California to other professionals and the general public and through public forums, education, print or other advertising media.

(r) Take all corporate action as required and in compliance with Corporation's articles of incorporation and bylaws.

(s) File all annual tax returns and required reports in a timely manner.

(t) Take all corporate action in a manner consistent with requirements for federal and state tax-exempt status.

(u) Keep a complete record of all minutes and acts of the Corporation and to supervise all of the Corporation's agents and employees and to see that their duties are properly performed.

(v) Take any and all other lawful action that is in the best interests, and in furtherance of the goals and objectives, of the Corporation.

Section 5.02. A majority of the Directors where a quorum is present must approve any

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contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in the Corporations Code.

## **ARTICLE VI - OFFICERS**

### Officers and Duties

Section 6.01. The Officers of the Corporation are the President, the Vice President, the Secretary, and the Treasurer. Officers shall serve for one (1) year terms at the pleasure of the Board, with such appointments automatically renewed unless otherwise removed by the Board.

Section 6.02. The President is the chief executive officer and general manager of the Corporation. The President shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of the Corporation and of its officers, employees and agents, including the right to employ, discharge and prescribe the duties and compensation of all officers, employees and agents of the Corporation, except where such matters are prescribed in these By-laws or by the Board. The President shall preside at all meetings of the Board and meetings of the members, if any. The President is authorized to sign all contracts, notes, conveyances and other papers, documents and instruments in writing in the name of the corporation.

Section 6.03. The Vice President shall perform under the direction of the President, duties and responsibilities in the management of the Corporation or in one or more particular areas of its management. In the event of the disability of the President, the duties of the President shall be exercised by the Vice President.

Section 6.04. The Secretary shall keep or cause to be kept the minute book of the Corporation. The Secretary shall sign in the name of the Corporation, either alone or with one (1) or more other officers, all documents authorized or required to be signed by the Secretary. If the Corporation has a corporate seal, the Secretary shall keep the seal and shall affix the seal to any documents as appropriate or desired. The Board may by resolution authorize one (1) or more assistant secretaries to perform, under the direction of the Secretary, some or all the duties of the Secretary.

Section 6.05. The Treasurer is the chief financial officer of the Corporation, and where appropriate, may be designated by the alternate title "chief financial officer." The Treasurer is responsible for the receipt, maintenance and disbursement of all funds of the Corporation and for the safekeeping of all securities of the Corporation. The Treasurer shall keep or cause to be kept books and records of account and records of all properties of the Corporation. The Treasurer shall prepare or cause to be prepared annually, or more often if so directed by the Board or

President, financial statements of the Corporation. The Board may by resolution authorize one (1) or more assistant treasurers to perform, under the direction of the Treasurer, some or all the duties of the Treasurer.

#### Appointment or Removal of Officers

Section 6.06. The Officers of the Corporation shall be appointed by the Board of the Corporation.

Section 6.07. Any Officer may be removed from office at any time by the Board, with or without cause or prior notice.

Section 6.08. When authorized by the Board, any appointed Executive Officer may be appointed for a specific term under a contract of employment. Notwithstanding that such Executive Officer is appointed for a specified term or under a contract of employment, any such Executive Officer may be removed from office at any time pursuant to these By-laws and shall have no claim against the Corporation on account of such removal other than for such monetary compensation as the Executive Officer may be entitled to under the terms of the contract of employment.

#### Resignation of Officers

Section 6.09. Any Executive Officer may resign at any time upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the Executive Officer is a party. Such resignation is effective upon receipt of the written notice by the Corporation unless the notice prescribes a later effective date or unless the notice prescribes a condition to the effectiveness of the resignation.

#### Execution of Instruments

Section 6.10. Any and all instruments executed in the name of the Corporation, including, but not limited to, contracts, agreements, purchase orders, notes, deeds, deeds of trust, mortgages, leases, security agreements, checks and drafts issued, endorsements of checks and drafts received, certificates, applications, and reports shall be executed by any one or more Officers, employees or agents of the Corporation as authorized from time to time by the Board. Such authorization may be general or confined to specific instances.

(a) The respective offices and duties thereof as established and defined in this Article VI and by resolution of the Board include, except as otherwise provided, the authority to execute instruments in the name of the Corporation when the execution of the instrument is incident to carrying out the duties of the office.

### Advisory Consultants

Section 6.11. The Board may have legislative, legal, financial advisory and other consultants and staff available to it to provide consultation and other advice. The Board shall further select and hire an Executive Vice President and other necessary staff to assist the Corporation in the day-to-day management of the affairs and activities of the Corporation. The Executive Vice President may, at his/her discretion, hire further staff to assist him/her in carrying out the Executive Vice President's duties and responsibilities.

## **ARTICLE VII - COMMITTEES**

Section 7.01. Committees of the Corporation are of two (2) kinds, those with legal authority to act for the Corporation and advisory committees.

Section 7.02. The Board may, by resolution adopted by a majority of the authorized number of Directors then in office, designate one (1) or more committees with legal authority to act for the Corporation to the extent specified in the resolution creating such committee, each such committee consisting of two (2) or more Directors, to serve at the pleasure of the Board. The Board may designate one (1) or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the Directors then in office. The procedures of these committees shall be the same as relating to the rules and conduct of the meetings of the Board. Any such committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except with respect to:

- (a) The filling of vacancies on the Board or on any committee.
- (b) The fixing of compensation of the Directors for serving on the Board or on any committee.
- (c) The amendment or repeal of these By-laws or the adoption of new bylaws.
- (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.
- (e) The appointment of other committees of the Board.
- (f) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.
- (g) The approval of any self-dealing transaction not permitted by Section 5233 of the Corporations Code to be approved by a committee.

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Section 7.03. Advisory committees may be appointed to consist of one or more Board members. Advisory committee membership may also consist of Directors only, both Directors and non-Directors, or non-Directors only, and also may include nonvoting members and alternate members. Advisory committees have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board.

Section 7.04. The Board shall establish a Nominating Committee, which shall consist of three (3) Directors. The first Chair of the Nominating Committee shall be as determined by resolution of the Board. The Chair shall serve a one (1) year term as Chair of the Nominating Committee. Thereafter, the prior Chairman of the Corporation's Board shall serve as the Chair of the Nominating Committee for one (1) year terms. In the event the prior Chairman of the Corporation's Board is unable or unwilling to serve as Chair of the Nominating Committee, then in that event the Board shall determine the Chair of the Nominating Committee. The other two (2) Directors on the Nominating Committee shall be selected by the Corporation's Board, with at least one (1) Director on the Nominating Committee being a Public Director. All Directors serving on the Nominating Committee shall serve one (1) year terms, and the Directors shall appoint new Directors to the Nominating Committee from such terms expire, or as such positions on the Nominating Committee otherwise become vacant.

## **ARTICLE VIII - AMENDMENTS TO ORGANIZATIONAL DOCUMENTS**

### Amendment of Articles by the Directors

Section 8.01. Any amendment to the Articles of Incorporation may be amended by a two-thirds (2/3) vote of the full Board at any such meeting called for the purpose of approving or rejecting such amendment, in addition to any other purpose such meeting was called. Any proposed amendment to the Articles of Incorporation shall comply with the other terms and conditions set forth in these By-laws and applicable law.

## **ARTICLE IX - AMENDMENTS TO THE BY-LAWS**

### Amendment of By-laws by Directors

Section 9.01. Subject to paragraph (a) of these By-laws, these By-laws may be amended or new By-laws adopted at any regular or special meeting of the Board of Directors when called for the specific purpose by a majority vote of the members of the Board of Directors. In the event of such a meeting called for that specific purpose, the written consent of two-thirds (2/3) of the full Board of the Board of Directors shall be effective to repeal and/or amend any By-law and to adopt any additional By-laws.

(a) An amendment or repeal of these By-laws approved by the Board of Directors shall

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require the approval of the Directors when such amendment or repeal involves:

- (1) An amendment to these By-laws specifying or changing a fixed number of Directors, or changing from a fixed to a variable number of Directors or vice versa;
- (2) An addition or amendment of a By-law that requires approval of the Directors be unanimous or by a greater proportion than that already required by law or these By-laws;
- (3) An amendment to these By-laws increasing the length of the Directors' terms;
- (4) An addition or amendment of a provision that provides for the selection of Directors other than as provided in these By-laws;
- (5) An addition or amendment of a By-law when such addition or amendment of a By-law relates to the Board's authority to fill vacancies created by the removal of Directors;
- (6) An addition or amendment of a By-law changing the number necessary for a quorum at Directors' meetings, creating or changing proxy rights, or changing or repealing cumulative voting rights;
- (7) An addition or amendment of a By-law that would terminate all Director membership on the Board; or
- (8) An addition or amendment of a provision that requires the approval of the Directors consistent with the California Corporations Code.

## **ARTICLE X - CORPORATE RECORDS AND REPORTS**

### Record Keeping

Section 10.01. The Corporation shall keep adequate and correct records of accounts and minutes of the proceedings of its Certificate Holder's, Board of Directors, and committees of the Board of Directors. The Corporation shall also keep a record of its Certificate Holder's giving their names and addresses. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

### Annual Report

Section 10.02. The Board shall make available to the Board of Directors an annual

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report not later than one hundred and twenty (120) days after the close of the Corporation's fiscal year. Reports shall contain all the information required by Section 6321(A) of the Corporations Code, and shall be accompanied by any report thereon of independent accountants, or if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation. The annual report shall also be made available to all Certificate Holders in a manner determined by the Directors or as may be required by applicable law.

#### Annual Statement of Certain Transactions

Section 10.03. The Corporation shall make available annually to its Directors, a statement of any transaction or indemnification described in Section 6322(D) and (E) of the Corporations Code, if such transaction or indemnification took place. Such annual statements shall be affixed to and sent with the annual report described in these By-laws.

#### Indemnification

Section 10.04. The Corporation may indemnify a Director, Officer, agent or employee under the provisions of Section 7237 of the Corporations Code, or pursuant to any contract entered into with any employee who is not an Officer of Director. Expenses incurred in defending any proceeding may be advanced by the Corporation as authorized in Section 7237 of the Corporations Code prior to the final disposition of such proceeding upon receipt of any undertaking by or on behalf of the Director, Officer, agent or employee to repay such amount unless it shall be determined ultimately that the Director, Officer, agent or employee is entitled to be indemnified.

Section 10.05. The Corporation may purchase and maintain insurance on behalf of any Director, Officer, agent, or employee of the corporation against any liability asserted against or incurred by the Director, Officer, agent, or employee in such capacity or arising out of the Director's, Officer's, agent's, or employee's status as such, whether or not the Corporation would have the power to indemnify the Director, Officer, agent or employee against such liability under the provisions of Section 7237 of the Corporations Code.

### **ARTICLE XI - MISCELLANEOUS**

#### Construction of These By-laws

Section 11.01. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these By-laws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular.

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Incorporation of Administrative Rules and Regulations and Code of Ethics and Conduct

Section 11.02. The Administrative Rules and Regulations and Code of Ethics and Conduct, as may be amended from time to time by the Board, are incorporated into these By-laws by this reference.

Severability

Section 11.03. It is intended that each paragraph, Section, and Article of these By-laws be viewed as separate and divisible, and in the event that any portion of these By-laws are held to be invalid or contradict relevant provisions of the Corporations Code or other applicable law, such invalid portion shall be severed to the minimum amount necessary to make such provisions valid or consistent with applicable law. It is further intended that the remaining portions of these By-laws continue to be in full force and effect.

I, LYNDA GOULD, Secretary of the Corporation, certify that this is a true and correct copy of the Corporation's By-laws, adopted by the Board and which became effective on the 15<sup>th</sup> day of May, 2002, and that these By-laws include all amendments, if any, to the date of this instrument.

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LYNDA GOULD, Secretary