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BYLAWS
OF
HUBBARD DIANETICS FOUNDATION

PREAMBLE

Hubbard Dianetics Foundation (hereinafter sometimes referred to as the "Corporation"), having incorporated for charitable purposes under the Nonprofit Public Benefit Corporation Law of the State of California, does by these Bylaws prescribe the manner in which such purposes shall be accomplished.

ARTICLE I

Definition of Terms

As used in these Bylaws:

1.1 "Articles" shall mean the Articles of Incorporation of the Corporation filed on 24 October 1984, as amended from time to time.

1.2 "Bylaws" shall mean the code of rules prescribed herein for the regulation and management of the affairs of the Corporation.

1.3 "Notice" shall mean written notice actually received by the prescribed recipient not less than three (3) days prior to the event of which notice is given, or written notice mailed to the prescribed recipient of the notice, by first class mail, not less than five (5) days prior to the event of which notice is given.

1.4 "Mailed" shall mean deposited in the United States mail, first class, certified or registered, return receipt requested, postage

prepaid, addressed according to the records of the Corporation.

1.5 Unless the context in which they are used clearly requires otherwise, terms denoting number shall include both the singular and the plural, and terms denoting gender shall include the masculine, the feminine and the neuter.

ARTICLE II

Purposes

The corporation's specific purposes are: (a) the application of the philosophy and techniques developed and to be developed by the philosopher L. Ron Hubbard in order to better the condition of mankind and in order to establish a civilization without war, crime or insanity; and (b) to cooperate with and assist other nonprofit charitable organizations within and without the United States of America which share that goal.

ARTICLE III

Members

The Corporation shall have no voting members.

The Corporation may have such associates, who may be referred to as members, as may from time to time be provided for by the Board of Directors, consisting of those individuals and organizations affiliated with the Corporation or its activities as may be determined from time to time by the Board of Directors.

ARTICLE IV

Trustees

Section 4.1 Purpose. The primary purpose of the Board of Trustees shall be to elect Directors of the Corporation. In furtherance of this purpose the Trustees may remove a Director who fails to meet the

qualifications of a Director or who conducts himself in a manner which is contrary to the purposes of the Corporation.

Section 4.2 Number and Qualifications of Trustees. The authorized number of Trustees shall be three (3) until changed by an amendment to this Section 4.2 duly adopted by a unanimous vote of the Trustees. A Trustee shall be a person who has attained the age of majority.

Section 4.3 Election. The initial Trustees of the Corporation shall be elected at the meeting of the Board of Directors adopting these Bylaws. The Trustees shall have lifetime tenure, subject, however, to termination as provided in Section 4.6.

Section 4.4 Vacancies. A vacancy in the Board of Trustees shall be deemed to exist in case of the death, resignation or termination of any Trustee as provided in Section 4.6. Vacancies in the Board of Trustees may be filled by a majority of the remaining Trustees, though less than a quorum, or by a sole remaining Trustee. If there shall be no remaining Trustee, then the Board of Directors shall appoint individuals to fill all existing vacancies on the Board of Trustees.

Section 4.5 Voting and Other Rights. Each Trustee shall be entitled to one vote. Each Trustee shall have access at all times to the books and records of the Corporation.

Section 4.6 Termination as Trustee. A person's post as Trustee shall terminate (i) upon his death, (ii) upon receipt by at least one other Trustee or the Board of Directors of a written notice of his resignation, or (iii) upon unanimous vote of the remaining Trustees then

in office but no fewer than 2 Trustees.

Section 4.7 Meetings of Trustees.

4.7.1 Annual Meeting. A meeting of the Trustees shall be held on the first Friday of November of each year at the principal office of the Corporation. No notice of the annual meeting need be given if it is held at such time and at such place. The time and place of the annual meeting may be changed by vote of a majority of the Trustees, and notice of any such change shall be given to each Trustee.

4.7.2 Agenda at Annual Meeting. At the annual meeting of Trustees, consideration shall be given only to the following matters:

- i. Election or removal of Directors.
- ii. Election or removal of Trustees.

4.7.3 Call of Special Meetings. A special meeting of the Trustees may be called by any Trustee.

4.7.4 Waiver of Notice. The transactions at any meeting of the Trustees, however called, however noticed, and wherever held, are as valid as though taken at a meeting duly held after regular call and notice if a quorum is present, and if, either before or after the meeting, each of the Trustees not present signs a written waiver of notice and consent to the holding of such meeting. A Trustee shall be deemed to have waived notice and consented to the holding of a meeting, if he votes to approve the minutes thereof. All written waivers and consents shall be filed with the minutes of meetings of the Trustees. Notice of a meeting shall also be deemed given to any Trustee who attends a meeting without protesting, before or at its commencement, the lack of proper notice to him.

4.7.5 Quorum. A quorum for any meeting of the Trustees shall be a majority of the total authorized number of Trustees.

4.7.6 Adjournment. A majority of the Trustees present, whether or not a quorum is present, may adjourn any meeting of the Trustees to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Trustees if the time and place is fixed at the meeting adjourned.

4.7.7 Use of Conference Telephones. The Trustees may meet through the use of conference telephone facilities or similar communications equipment, so long as all Trustees participating in the meeting can hear and address one another.

4.7.8 Action without a Meeting. Any action required or permitted to be taken by the Trustees may be taken without a meeting if all Trustees consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Trustees.

4.7.9 Minutes and Consents. The Trustees shall cause records of actions taken at their meetings and by unanimous consents to be kept with other records of the Trustees in a secure place.

ARTICLE V

Board of Directors

Section 5. 1--Function and Authority of the Board.

5.1.1 Generally. The activities and affairs of the corporation shall be managed and conducted, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. The Directors in general shall have all applicable powers conferred,

permitted, or authorized by law as directors of a nonprofit public benefit corporation, including the power to purchase, lease, encumber by mortgage or deed of trust, sell, pledge, and convey property of the Corporation, and to borrow funds for the use and benefit of the Corporation. Each Director shall have access at all times to the books and records of the corporation.

5.1.2 Particular Functions. More particularly, and without limiting its power and authority in general, the Board of Directors may, in its sole discretion:

i. Borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered on behalf of the Corporation, in the corporate name, promissory notes, bonds, debentures, deeds of trusts, mortgages, pledges, hypothecations, or other evidences of debt and securities;

ii. Make and perform such contracts as are necessary or convenient to attain or further the purposes and objects of the Corporation, as set forth in the Articles and in these Bylaws;

iii. Delegate to the Corporation's officers, or to their agents, regular and special duties of the Board of Directors, the delegation of which is permitted by law and consistent with the Articles;

iv. Publish and disseminate books, periodicals, pamphlets, tracts, sermons, films, tapes and pictures in furtherance of the purposes of the Corporation; and

v. Change the principal office of the Corporation from one location to another, and establish and locate subsidiary offices of the

Corporation.

5.1.3 Special Duty of the Board. It shall be a special duty of the Board of Directors to assure:

i. That no part of the net income or assets of the Corporation inure to the benefit of any person;

ii. That no substantial part of the activities of the Corporation are devoted to attempts to influence legislation, by propaganda or otherwise;

iii. That the Corporation and its agents refrain from participation or intervention in any political campaign on behalf of or in opposition to any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

iv. That the property, assets, and net income of the Corporation remain irrevocably dedicated to charitable purposes; and

v. That, upon the dissolution or winding up of the Corporation, its assets remaining after payment of or provisions are made for payment of all debts and liabilities of the Corporation are distributed to one or more nonreligious and nonprofit funds, foundations, or trusts, or corporations which are organized and operated primarily for charitable purposes, and which are exempt from general income taxation as organizations described in § 501(c)(3) of the Internal Revenue Code of 1954, as amended, or successor statutes of similar import.

Section 5.2 Election, Tenure and Compensation.

5.2.1 Election and Tenure. Directors shall be elected by majority vote of the Trustees of the Corporation. The Trustees shall elect one of the Directors as Chairman of the Board. Trustees may not

cumulate votes in electing Directors. Regular elections of Directors shall be held at the annual meeting of the Trustees. Special elections may be held as necessary to fill vacancies on the Board of Directors. Directors may be, but need not be, elected from among the Trustees. Directors shall hold office for one year or until the next annual meeting of the Trustees, whichever period is shorter. Directors may be re-elected.

5.2.2 No Compensation. Directors shall receive no compensation for their service as Directors, but shall be entitled to reimbursement for expenses incurred on behalf of the Corporation, whether or not such expenses are incurred in their capacities as Directors.

5.2.3 Removal of Director . Upon an affirmative vote of a majority of the Trustees, a Director may be removed for failure to exercise the duties of a Director in pursuance of the purposes of the Corporation.

5.2.4 Vacancies. A vacancy or vacancies in the Board of Directors shall be deemed to exist upon (i) the death, resignation, or removal of any director or (ii) an increase in the authorized number of directors.

5.2.5 Resignations. Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Trustees may elect a successor to take office when the resignation becomes effective. No Director may resign if the Corporation

would then be left without a duly elected Director or Directors in charge of its affairs.

Section 5.3 Number and Qualifications of Directors. The authorized number of Directors shall be three (3) until changed by an amendment to this Section 5.3 duly adopted by a unanimous vote of the Trustees. A Director shall be a person who has attained the age of majority.

Section 5.4 Meetings of Directors.

5.4.1 Call of Meetings. Meetings of the Board of Directors may be called by the President of the Corporation or by any two Directors.

5.4.2 Notice of Meetings. Notice of all special meetings of the Board of Directors, or of an annual meeting to be held at a time or place other than a time or place fixed by resolution of the Board of Directors, shall be given to each Director in writing.

5.4.3 Waiver of Notice. The transactions at any meeting of the Board, however called, however noticed, and wherever held, are as valid as though taken at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice and consent to the holding of such meeting. A Director shall be deemed to have waived notice and consented to the holding of a meeting, if he votes to approve the minutes thereof. All written waivers or consents shall be filed with the minutes of meetings of the Board of Directors. Notice of a meeting shall also be deemed given to any Director who attends a meeting without protesting, before or at its commencement, the lack of proper notice to him.

5.4.4 Quorum. A majority of the authorized number of Directors

shall constitute a quorum of the Board of Directors for transaction of business permitted with less than unanimous consent of all Directors.

5.4.5 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting of Directors to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned.

5.4.6 Annual, Regular and Special Meetings. Meetings of the Board of Directors shall be held at least annually. Meetings designated as annual meetings shall be held in the month of November of each year. Meetings other than annual meetings shall be called regular meetings or special meetings. The time and place of annual meetings may be fixed by unanimous resolution of the Board of Directors, and, once so fixed, shall not be subject to the notice requirements of Section 5.4.2.

5.4.7 Use of Conference Telephones. Directors may meet through the use of conference telephone facilities or similar communications equipment, so long as all Directors participating in the meeting can hear and address one another.

5.4.8 Action without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all Directors consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Directors.

5.4.9 Minutes and Consents. The Directors shall cause records of actions taken at their meetings and by written consents to be kept with other records of the Board of Directors in a secure place.

ARTICLE VI

Officers of the Corporation

Section 6.1 Required Officers. Officers of the Corporation shall be elected by a majority vote of the Board of Directors, and shall include a President, a Secretary, and a Treasurer, each of whom shall serve at the pleasure of the Board. Each of said offices may be held by a person who is also a Director. The Board of Directors may elect the same person to the offices of Secretary and Treasurer. Neither the Secretary nor the Treasurer shall concurrently serve as President of the Corporation.

Section 6.2 Optional Officers. The Board of Directors may elect one or more Vice-Presidents, and one or more Assistant Secretaries and Assistant Treasurers and such other subordinate officers as the Board shall from time to time deem appropriate.

Section 6.3 Duties of Officers.

6.3.1 The President shall have general supervisory responsibility for the business and affairs of the corporation. In addition, he shall perform all other acts and duties which the Board of Directors shall direct. The President shall be the Chief Executive Officer of the Corporation, to whom other officers and their agents shall report and be responsible for the proper performance of their duties.

6.3.2 The Vice-Presidents, if any, shall carry out such duties on behalf of the Corporation as may be assigned to them by the Board of Directors or by the President. In the absence or disability of the President, the duties of the President shall be discharged by the most senior Vice-President.

6.3.3 The Treasurer of the Corporation shall have custody of

its corporate funds, books and financial records. The Treasurer shall have authority to receive and accept money, collect debts, open bank accounts, and make disbursements in the name of the Corporation. The Treasurer shall keep or cause to be kept proper books of account reflecting all business done by the Corporation and of all monies received and disbursed, and shall prepare or cause to be prepared financial statements at the request of the Board of Directors. The Treasurer shall deposit all money and other valuables in the name and to the credit of the Corporation, with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse funds of the Corporation in accordance with the policies of the President and the Board of Directors. The Treasurer shall, whenever requested to do so by the President or Board of Directors, account for all transactions engaged in or authorized by him as Treasurer.

6.3.4 The Assistant Treasurer, if any, shall carry out such duties on behalf of the Corporation as may be assigned or delegated to him by the Board of Directors, by the President, or by the Treasurer. In the absence or disability of the Treasurer, the Assistant Treasurer shall discharge the duties of the Treasurer.

6.3.5 The Secretary shall keep or cause to be kept records of all actions taken by consent and at meetings of the Trustees and of the Board of Directors, and of the meetings of any committee for which the Board requires that minutes be kept. The Secretary shall keep or cause to be kept, at the principal office of the Corporation, a copy of these Bylaws. The Secretary shall keep the seal of the corporation and shall attest all certificates and other legal documents requiring certification

on behalf of the Corporation.

6.3.6 The Assistant Secretary, if any, shall carry out such duties on behalf of the Corporation as may be assigned or delegated to him by the Board of Directors, by the President, or by the Secretary. In the absence or disability of the Secretary, the Assistant Secretary shall discharge the duties of the Secretary.

Section 6.4 Removal of Officers. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board.

Section 6.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect on the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 6.6 Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointments to that office.

Section 6.7 Execution of Contracts. Contracts, instruments of conveyance or encumbrance, or other obligations of the Corporation may be executed and delivered on behalf of the Corporation by any two (2) officers of the Corporation unless the Board of Directors provides

otherwise by resolution.

ARTICLE VII

Reports

Section 7.1 Financial Reports. The Corporation shall provide to the Directors of the Corporation, within 120 days after the close of its fiscal year, a report containing the following information in reasonable detail:

(1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.

(2) The principal changes in the assets and liabilities, including trust funds, during the fiscal year.

(3) The revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

(5) Any information required by California Corporations Code, Section 6322, as from time to time amended.

Section 7.2 Recommended Dianetics Organizations. The Corporation shall provide to each of the Directors of the Corporation at least thirty (30) days prior to each annual meeting of the Board of Directors, a roster of organizations which provide services relating to the purposes of the Corporation as expressed in Article II of these Bylaws. Said roster shall include organizations which engage in research, provide training or provide services in the application of the philosophy and techniques mentioned in paragraph (a) of said Article II. The roster

shall be graded in accordance with the Corporation's judgment as to the excellence of service provided by the listed organizations, and shall include such comments and recommendations as shall appear to the Corporation to be advisable. The Board of Directors shall consider said roster at its annual meeting, and shall cause the publication thereof with such revisions as shall appear to the Board to be necessary, to the end that individuals and organizations sharing the goal of this Corporation shall be advised of the opportunities available to them in the pursuit of that goal.

ARTICLE VIII

Liability of Trustees, Directors and Officers

Trustees, Directors, officers and other agents of the Corporation, and the property of such persons, shall not be subject to or chargeable with payment of Corporation debts or obligations. To the fullest extent permitted by the Nonprofit Public Benefit Corporation Law, and in particular Section 5238 thereof (including future amendments thereto), the Board of Trustees shall have authority to indemnify Trustees, Directors, officers or other agents of the Corporation for expenses reasonably incurred by such persons as the result of their being made parties to "proceedings", as that term is defined in Section 5238. However, the Corporation shall have no authority to make any payment, including one to indemnify a Trustee, Director, officer, or agent of the Corporation, the making of which would constitute an inurement to any person of assets or net income of the Corporation. Rights of indemnification created herein in favor of Trustees, Directors, officers, or other agents of the Corporation shall not be exclusive of other rights

or remedies to which such persons may be entitled as a matter of law.

ARTICLE IX

Principal Office

The principal office of the Corporation shall be located at such place, within or without the State of California, as a majority of the Board of Directors may, in its discretion, determine from time to time.

ARTICLE X

Seal

The Corporation shall have a seal, the form of which shall be determined and adopted by the Board of Directors.

ARTICLE XI

Amendments

These Bylaws may be amended or repealed and new Bylaws adopted by unanimous vote of the Trustees; provided that amended Bylaws or new Bylaws shall not jeopardize the tax-exempt status of the Corporation.


CERTIFICATION

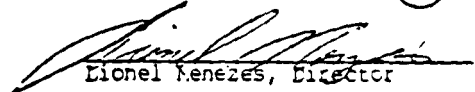
We, the undersigned, do hereby certify:

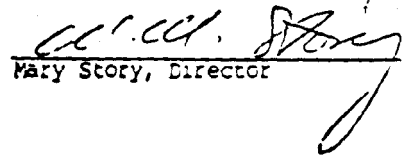
1. That we are the Directors of Hubbard Dianetics Foundation, a nonprofit public benefit corporation incorporated under the laws of the State of California; and

2. That the foregoing Bylaws constitute the Bylaws of said corporation, as duly adopted by the unanimous vote of the Board of Directors of said corporation at a meeting of the Directors which was held on the 4th day of February, 1965.

IN WITNESS WHEREOF, we have hereunder subscribed our names this 4th day of February, 1965.


Diana Klingler, Director


Lionel Renezes, Director


Mary Story, Director