

**BY-LAWS OF  
New York Budo Association Inc.**

ARTICLE I

NAME

This corporation is and shall be known as New York Budo Association Inc. (the "Corporation").

ARTICLE II

The Corporation shall have no members.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Powers and Number. The Corporation shall be managed by the Board of Directors (the "Board"). The number of Directors constituting the entire Board shall be determined by a vote of the majority of the entire Board from time to time and shall be at least three but no more than fifteen. As used in these By-Laws, the term "entire Board" means the total number of Directors entitled to vote which the Corporation would have at the time in question if there were no vacancies, consisting of the number of Directors that were elected as of the most recently held election of Directors.

Section 2. Election and Term of Office. The initial Directors shall be the persons named in the certificate of incorporation, and they shall serve until the first annual meeting of the Board. At each annual meeting, the Board, by majority vote, shall elect Directors to hold office for a term of one year, and each such Director shall continue in office for such term and until such Director's successor shall have been elected or qualified, or until such Director's death, resignation or removal.

Section 3. Newly Created Directorships and Vacancies. Newly created Directorships and vacancies among the Directors for any reason may be filled by a majority vote of the Directors, and the Directors so elected shall serve until the next annual meeting of Directors.

Section 4. Resignations. Any Director may resign from office at any time by delivering a resignation in writing to the President or Secretary, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

Section 5. Removal. Any Director may be removed at any time with cause by a majority vote of the entire Board, such removal to take effect immediately upon such vote.

Section 6. Meetings. Meetings of the Board may be held at any place within or without the State of New York as the Board may from time to time fix, or as shall be specified in the notice or waivers of notice thereof.

Section 7. Annual Meetings. The annual meeting of the Board for the election of Directors and officers of the Corporation and for the transaction of such other business as may properly come before the meeting, shall be held at such time and place as may be specified by the Board.

Section 8. Other Regular Meetings. With respect to regular meetings other than the annual meeting, the Board shall meet at times and places to be specified by the Board.

Section 9. Special Meetings. Special meetings of the Board may be called at any time by the President or Vice President or upon written demand of not less than one-half of the entire Board.

Section 10. Notice of Meetings. Notice of the time and place of each meeting of the Board shall be mailed to each Director, postage prepaid, addressed to such Director at such Director's residence or usual place of business (or at such other address as such Director may have designated in a written request filed with the Secretary), sent by electronic mail or other form of electronic communication or given personally or by telephone no less than twenty-four hours before the time at which such meeting is to be held. Notice of a meeting need not be given to any Director who submits a waiver of notice whether before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice to such Director. Such waiver of notice may be written or electronic. If written, the waiver must be executed by the Director signing such waiver or causing his or her signature to be affixed to such waiver by any reasonable means, including facsimile signature. If electronic, the transmission of the consent must be sent by electronic mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the Director.

Section 11. Chairperson. The Board may elect a Chairperson, to be present at and preside over all meetings of the Board. In order for an employee to serve as Chairperson, or hold another title with similar responsibilities, the Board must approve such employee serving as chair by a three-fourths vote and the basis for the approval must be contemporaneously documented in writing.

Section 12. Quorum and Voting. Unless a greater proportion is required by law, one-half of the entire Board shall constitute a quorum for the transaction of business or of any specified item of business. Except as otherwise provided by law or by these by-laws, the vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board. No action shall be taken in the absence of a quorum.

Section 13. Presence at Meeting by Telephone or Other Electronic Communications. Any one or more members of the Board, or any committee thereof, may participate in any meeting of the Board, or of such committee, by means of a conference telephone or similar equipment or by

electronic video screen communication. Participation by such means shall constitute presence in person at a meeting so long as all persons participating in the meeting can hear each other at the same time and each Director can participate in all matters before the Board of Directors, including, without limitation, the ability to propose, object to, and vote upon a specific action to be taken by the Board of Directors.

Section 14. Action by Written Consent. Except as at the time otherwise required or permitted by law, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or of such committee consent in writing or by electronic means to the adoption of a resolution authorizing such action. If such consent is written, the consent must be executed by the Director by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means, including facsimile signature. If such consent is electronic, the transmission of the consent must be sent by electronic mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the Director. The resolution and written or electronic consents thereto shall be filed with the minutes of the proceedings of the Board or of such committee.

Section 15. Compensation. Any Director of the Corporation is authorized to receive reasonable compensation for services rendered to the Corporation. No person who may benefit from such compensation may be present at or otherwise participate in any Board or committee deliberation or vote concerning such person's compensation; provided that nothing in this Section shall prohibit the Board or authorized committee from requesting that a person who may benefit from such compensation present information as background or answer questions at a committee or Board meeting prior to the commencement of deliberations or voting relating thereto.

Section 16. Deadlock. For the purposes of this Section 16, a Deadlock shall exist if (1) there are an equal number of votes cast for and against any proposed action of the Board, or (2) no decision can be taken because a Director abstains from voting. In case of a Deadlock, the final deciding vote shall be given by a disinterested third party who is not also a related party whom the Board shall select at each annual meeting by a plurality vote to serve for a period of one year or until the next annual meeting, whichever comes earlier. The disinterested party shall receive or obtain from the voting Directors information regarding the matter in question. In making any decision, the disinterested party shall consider only information obtained from the voting Directors. The disinterested party shall cast the deciding vote within fifteen (15) days of the Deadlock. If, for any reason, the disinterested party shall be unable to cast the vote within the allotted 15 days, the disinterested party shall be immediately removed of their position and a new individual will take their position through a plurality vote by the Board. This new party shall then have 15 days to cast the deciding vote on the issue in question.

#### ARTICLE IV

#### OFFICERS, EMPLOYEES, AGENTS

Section 1. Number and Qualifications. The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer and such other officers, if any, including Assistant Secretaries or Assistant Treasuries, as the Board may from time to time appoint. The other officers of the Corporation may, but need not, be Directors. One person may hold two or more offices, except the offices of President and Secretary. No instrument required to be signed by more than one officer may be signed by one person in more than one capacity.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected by the Board at the organizational meeting of the Board and at every annual meeting thereafter. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until the annual meeting of the Board following such officer's election , or until a successor shall have been elected and shall have qualified, or until such officer's earlier death, resignation or removal.

Section 3. Employees and Other Agents. The Board may appoint from time to time such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties as the Board may from time to time determine. To the full extent allowed by law and the certificate of incorporation of the Corporation, the Board may delegate to any employee or agent any powers possessed by the Board.

Section 4. Removal. Any officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the entire Board.

Section 5. Vacancies. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board.

Section 6. President: Powers and Duties. The President shall have general supervision of the affairs of the Corporation, and shall keep the Board fully informed about the activities of the Corporation. If the Board has not elected a Chairperson, the President shall serve as the Chairperson of the Board. The President has the power to sign alone, unless the Board shall specifically require an additional signature, in the name of the Corporation all contracts authorized either generally or specifically by the Board. The President shall perform such other duties as shall from time to time be assigned by the Board.

Section 7. Vice President: Powers and Duties. The Vice President shall have such powers and duties as may be assigned to him by the Board. In the absence of the President, the Vice President shall perform the duties of the President.

Section 8. Secretary: Powers and Duties. The Secretary shall act as secretary of all meetings. The Secretary shall be responsible for the giving and serving of all notices of the Corporation and shall perform all the duties customarily incident to the office of the Secretary, subject to the control of the Board, and shall perform such other duties as shall from time to time be assigned by the Board.

Section 9. Treasurer: Powers and Duties. The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to be deposited all moneys and other valuable effects of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board may designate. At the annual meeting of the Board and whenever else required by the Board, the Treasurer shall render a statement of the Corporation's accounts. The Treasurer shall at all reasonable times exhibit the Corporation's books and accounts to any officer or Director of the Corporation and shall perform all duties incident to the position of Treasurer subject to the control of the Board.

Section 10. Compensation. Any employee or agent of the Corporation is authorized to receive reasonable compensation for services rendered to the Corporation. No person who may benefit from such compensation may be present at or otherwise participate in any Board or committee deliberation or vote concerning such person's compensation; provided that nothing in this Section shall prohibit the Board or authorized committee from requesting that a person who may benefit from such compensation present information as background or answer questions at a committee or Board meeting prior to the commencement of deliberations or voting relating thereto.

## ARTICLE V

### COMMITTEES

Section 1. Committees of the Board. The Board may, by resolution adopted by a majority of the entire Board, establish and appoint an executive committee, an Audit Committee and other committees. The President shall appoint a chairperson of each committee. Each committee so appointed shall consist of three or more Directors and, to the extent provided in the resolution establishing it, shall have all the authority of the Board except as to the following matters:

1. the filling of vacancies on the Board or on any committee;
2. the amendment or repeal of the by-laws or the adoption of new by-laws;
3. the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable;
4. the fixing of compensation of the Directors for serving on the Board or any committee.

At any meeting of such committee, the presence of a majority of its members then in office shall constitute a quorum for the transaction of business.

Section 2. Committees of the Corporation. The Board may create committees other than committees of the Board to be committees of the Corporation. Any such committee created by the Board shall be appointed by the President with the consent of the Board. Such committees may consist of Directors and others. Any such committee of the Corporation shall not have the authority to bind the Board.

ARTICLE VI

CONTRACTS, CHECKS, BANK ACCOUNTS AND INVESTMENTS

Section 1. Checks, Notes and Contracts. The Board is authorized to select such depositories as it shall deem proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and other documents.

Section 2. Investments. The funds of the Corporation may be retained in whole or in part in cash or may be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board may deem desirable.

ARTICLE VII

TRANSACTIONS WITH DIRECTORS OR OFFICERS

Section 1. Conflict of Interest Policy. The Corporation shall adopt a conflict of interest policy to ensure that its Directors, officers and key persons act in the Corporation's best interest and comply with applicable legal requirements, including the requirements set forth in Section 715 and 715-a of the New York Not-for-Profit Corporation Law.

Section 2. Related Party Transactions.

(a) The Corporation shall not enter into any related party transaction unless the transaction is determined by the Board to be fair, reasonable and in the Corporation's best interest at the time of such determination.

(b) Any Director, officer or key person who has an interest in a related party transaction shall disclose in good faith to the Board, or an authorized committee thereof, the material facts concerning such interest. With respect to any related party transaction involving the Corporation and in which a related party has a substantial financial interest, the Board, or an authorized committee thereof, shall: (i) prior to entering into the transaction, consider alternative transactions to the extent available; (ii) approve the transaction by not less than a majority vote of the Directors or committee members present at the meeting; and (iii) contemporaneously document in writing the basis for the Board or authorized committee's approval, including its consideration of any alternative transactions. No related party may participate in deliberations or voting relating to the transaction in which such related party has an interest; provided that the Board or authorized committee may request that a related party present information concerning a related party transaction at a Board or committee meeting prior to the commencement of deliberations or voting relating thereto.

(c) As used in these Bylaws, a "related party transaction" means any transaction, agreement or any other arrangement in which a related party has a financial interest and in which the Corporation or any affiliate of the Corporation is a participant, where:

- (i) an "affiliate" of the Corporation means a person or entity that is directly or indirectly through one or more intermediaries, controlled by, in control of, or under common control with the Corporation;
- (ii) a "related party" means (i) any Director, officer or key person of the Corporation or any affiliate of the Corporation; (ii) any relative of any Director, officer or key person of the Corporation or any affiliate of the Corporation; or (iii) any entity in which any individual described in the foregoing clauses (i) and (ii) has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent;
- (iii) a "relative" of an individual means his or her (i) spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; or (ii) domestic partner as defined in Section 2994-a of the New York State Public Health Law; and
- (iv) a "key person" means any person who (i) has responsibilities, or exercises powers or influence over the corporation as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages the corporation, or a segment of the corporation that represents a substantial portion of the activities, assets, income or expenses of the corporation; or (iii) alone or with others controls or determines a substantial portion of the corporation's capital expenditures or operating budget.

A transaction will not be considered a "related party transaction" if (i) the transaction or the related party's financial interest in the transaction is de minimis; (ii) the transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business, and is available to others on the same or ordinary terms; or (iii) the transaction constitutes a benefit provided to a related party solely as a member of a class of beneficiaries served by the not-for-profit corporation or charitable trust as part of the accomplishment of its mission, which benefit is available to all similarly situated members of the same class.

Section 3. Loans to Directors or Officers. No loans, other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by the Corporation to any of its Directors or officers, or to any other corporation, firm, association or other entity in which one or more of its Directors or officers are directors or officers or hold a substantial financial interest, except a loan made by the Corporation to a corporation which is a charitable corporation under Sections 201(b)-(d) of the New York Not-for-Profit Corporation Law. A loan made in violation of this Section shall be a violation of the duty to the Corporation of the Directors or officers authorizing it or participating in it, but the obligation of the borrower with respect to the loan shall not be affected thereby.

## ARTICLE VIII

OFFICE AND BOOKS

Section 1. Office. The office of the Corporation shall be located at such place within or without the State of New York as the Board may from time to time determine.

Section 2. Books. There shall be kept at the office of the Corporation correct books of account of the activities and transactions of the Corporation including a minute book, which shall contain a copy of the charter, a copy of these by-laws, and all minutes of meetings and written consents of the Board.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year.

ARTICLE X

INDEMNIFICATION

The Corporation shall, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding, whether civil or criminal, by reason of the fact that he, his testator or intestate is or was a Director, officer, employee or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees and shall advance the expenses of such person in defending such an action or proceeding, except to the extent specifically prohibited by law. The Corporation may make provision with respect to such indemnification of or advancement of expenses to officers and Directors by agreement or by resolution of the Board of Directors.

ARTICLE XI

AMENDMENTS

These by-laws may be amended by majority vote of the Board at any meeting of the Board, provided that notice of the proposed amendment has been included in the notice of the meeting.