

**BYLAWS OF
PROJECT GUTENBERG LITERARY ARCHIVE FOUNDATION, INC.**

Article 1

Section 1: PRINCIPAL OFFICE. The principal office of Project Gutenberg Literary Archive Foundation, Inc., hereinafter entitled the Corporation, shall be in the City where the Chairman of the Board resides or such other place as designated by resolution of the Board of Directors of the Corporation. The principal office need not be located in the State of Mississippi.

Section 2. OTHER OFFICES. The Board of Directors may also elect to open other offices of the Corporation both within and without the State of Mississippi to conduct the business of the Corporation.

Article 2

Section 1. NUMBER OF DIRECTORS. The number of Directors which will compose the initial Board of Directors shall be five. The Board may be expanded to up to seven directors by a two-thirds vote of the Directors without amending either the bylaws or the articles of incorporation. All Directors shall be of legal age and at least one Director shall be an American citizen. The Directors shall be elected at the annual meeting of Directors except where a vacancy is filled pursuant to Section 4 below. Each Director shall hold office for a term of five years, except for initial directors in their first term who shall serve the term specified in the articles of incorporation. If the Board is expanded, the initial terms of the new directors shall be set so that so that no more than one-third of the directors of the Board is elected each year.

Section 2. STANDARD OF CARE. Each Director shall perform his duties in good faith. Each Director shall execute all duties through the use of the standard as to what in the Director's opinion is in the best interests of the Corporation. In making all decisions a Director shall utilize such reasonable care and inquiry as a reasonably prudent person in a like situation would employ.

Section 3. VACANCIES ON THE BOARD. Vacancies on the Board of Directors may be filled by a vote of the two thirds majority of the remaining Directors even though they may constitute less than a majority of the full Board. A vacancy on the Board shall be deemed to exist upon the death, resignation, or removal of any Director.

Section 4. REMOVAL OF DIRECTORS. Directors may be removed as provided for in the Articles of Incorporation.

Section 5. POWERS OF THE BOARD OF DIRECTORS. The Board of Directors is responsible for the management of the Corporation's business and legal affairs. Towards this end, the Board

will exercise all of the corporate powers to do such lawful acts which are not prohibited by either state law or the Articles of Incorporation.

MEETINGS OF THE BOARD OF DIRECTORS

Section 6. DIRECTORS MEETINGS. The Board of Directors shall set all meetings of the Board, both regular and special, pursuant to these Bylaws. Such meetings may be held both within and without the state of incorporation as designated by the Board. Such meetings may be held by any telecommunications method which permits all Directors to simultaneously hear each other and communicate with each other in real time. The Chairman of the Board shall designate a director or officer to be responsible for preparing minutes of directors' meetings and for authenticating records of the corporation.

Section 7. ANNUAL MEETINGS. Regular meetings of the Board of Directors may be held without notice at such time and place as set by the Board of Directors. If the date for the regular meeting falls on a holiday or weekend, the meeting shall be held on the next business day. No notice for a regular meeting set in these Bylaws need be given. There shall be at least one regular meeting each year. If the Directors do not otherwise set a date for the meeting, it shall be June 30.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chairman of the Board upon receipt of a written request to do so from a Director. Notice of Special Meetings shall be given to each Director at least two (2) days prior to the meeting.

The actions taken at a special meeting of Directors which was not properly called and noticed will nonetheless be considered valid if:

1. All of the Directors are present at the meeting and sign a written consent to the meeting and the actions taken thereunder, or
2. A two thirds majority of the Directors are present at the meeting and those Directors not present sign a written consent to the meeting and the actions taken thereunder. Such consent may be given either before or after the meeting has been held. If a Director attends a special meeting which was not properly called and noticed without objecting upon arrival, that Director waives such notice and the actions taken thereunder shall be as valid as if the meeting was properly called.

Section 9. QUORUM. At any meeting of the Board of Directors no action may be undertaken unless a quorum of Directors is present. A quorum of Directors shall constitute a two thirds majority of duly elected and appointed Directors. Unless state law, the articles of incorporation or these bylaws specify a higher percentage, every act or resolution of the Board shall need only a majority vote of the quorum to pass.

Section 10. BOARD ACTION WITHOUT MEETING. Any action could be taken by the Board of Directors at a meeting may be taken without a meeting if the action is taken by *all* members of the Board. The action must be evidenced by one or more written consents (which may be in electronic form) describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date.

Section 11. RESIGNATION. A Director may resign at any time effective upon giving written notice to the Board of Directors. Upon notice of the resignation, the Chairman of the Board shall schedule a special meeting of Board for the election of a new Director.

Section 12. COMPENSATION OF DIRECTORS. The corporation shall pay any expenses incurred by its Directors in attending any meeting of the Board. In addition, the Directors may be paid a salary or a fixed amount for attending the meeting as set by the Board. The receipt of any payment for services rendered as a Director shall not prevent the person from serving the Corporation in any other capacity and receiving compensation for such other work.

COMMITTEE OF DIRECTORS

Section 13. UTILIZATION OF COMMITTEES. The Board of Directors has the authority to create as it deems necessary committees of one or more Directors to exercise the powers of the Board of Directors in specified areas of the Corporation's business and legal affairs. A committee so formed may be given the power to affix the corporate seal to documents which it may execute. Each committee shall have at least two directors. The creation of a committee and appointment of directors to it must be approved by a majority of all directors in office when the action is taken.

Section 14. ACTIONS WHICH MAY NOT BE DELEGATED TO COMMITTEE. A committee of the Board may not:

- a. Authorize distributions;
- b. Approve or recommend dissolution, merger or the sale, pledge, or transfer of all or substantially all of the corporation's assets;
- c. Elect, appoint or remove directors or fill vacancies on the Board or any of its committees; or
- d. Adopt, amend or repeal articles or bylaws.

Section 15. COMMITTEE MINUTES. All committees created by the Board shall keep regular and detailed records of their activities and make regular reports to the full Board of Directors.

Section 16. CONSULTANTS. The Board of Directors have the authority to appoint one or more persons to serve as consultants to the Board. Such consultants perform such special assignments as delegated to them by the Chairman and furnish such consultations on such matters as requested by the Board.

Article 3.

Section 1. NOTICES TO DIRECTORS AND OTHERS. All notices to Directors and others may be oral or written. Notice by electronic transmission is written notice. Notice may be delivered in person, by mail or other method of delivery, or by telephone, telefax, voice mail, E-mail or other electronic means. If these forms of personal notice are impracticable, notice may be delivered by radio, television, posting on the Foundation web page, or other form of public broadcast communication. Oral notice is effective when communicated if communicated in a manner that is comprehensible. Written notice is effective (i) upon deposit in the U.S. mail, if mailed post paid and correctly addressed to the recipient's address shown in the corporation's current records, or (ii) when electronically transmitted to the recipient in a manner authorized by the recipient.

Section 2. WAIVER OF NOTICE. If a person who is entitled to vote at any meeting is not given such a valid notice of the meeting, no action undertaken at such meeting will be valid unless the person gives a valid waiver of notice. A waiver of notice is accomplished by:

- a. Being present at the meeting and either not objecting to the meeting or entering oral consent to the meeting on the record, or
- b. Executing a written waiver of notice for the meeting and the business to be transacted therein.

Once a waiver of notice has been validly executed, the transaction undertaken at the meeting, if a quorum was present, shall be as valid as if the meeting had been properly called and noticed.

Article 4

OFFICERS

Section 1. APPOINTMENT. The Board of Directors may, but is not required to, appoint officers for the Corporation. The Board may appoint assistants to any appointed officers as it deems appropriate. Any person can hold two or more offices unless precluded by state law. Any appointment of officers shall normally occur, except for the filling of vacancies, at the annual meeting of Directors.

Section 2. OFFICERS' SALARIES. The Board of Directors shall set by resolution the salaries and compensation to be paid by the Corporation to any officers.

Section 3. OFFICERS' TERM OF OFFICE. The term of office for any officers of the Corporation shall continue to their death, resignation or removal. Any officer may be removed from office by the Board at any time by a majority vote. Any vacancy in any office of the Corporation may be filled by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors. A resignation shall take effect on the date specified in the notice unless the Board of Directors votes to have a sooner date and removes the resigning officer prior to the effective date of the resignation.

Article 5

Section 1: INDEMNIFICATION. The corporation shall indemnify directors, any officers, employees, and volunteers of the corporation and former trustees of the Corporation's predecessor organization, the Project Gutenberg Literary Archive Foundation Trust, to the maximum extent permitted by Miss. Code § 79-11-281.

Section 2. LOANS. The corporation may not loan money to or guarantee the obligation of a director or officer.

Article 6

RECORDS

Section 1. The corporation shall keep permanent records of minutes of all meetings of the Board of Directors, a record of all actions taken by directors without a meeting and a record of all actions taken by committees of the Board of Directors.

Section 2. The corporation shall maintain appropriate accounting records.

Section 3. The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Section 4. The corporation shall keep a copy of the following records at its principal office.

- a. Its articles or restated articles of incorporation and all amendments currently in effect;
- b. Its bylaws or restated bylaws and all amendments to them currently in effect;
- c. Resolutions adopted by the Board of Directors for the last 3 years;
- d. Minutes of Board of Directors for the last 3 years;

- e. A list of the names and business or home addresses of its current directors and any officers; and
- f. The most recent status report delivered to the Secretary of State.

Article 7

AMENDMENTS

Section 1. Amendments may be made to these bylaws which do not conflict with the Articles of Incorporation or the laws of Mississippi.

Section 2. Amendments to these bylaws shall require a two thirds majority of the Directors then in office. All Directors must be given at least 5 days notice before any meeting at which amendments to the bylaws will be voted upon. The notice must state that amendment of the bylaws will be a subject of the meeting. The notice must contain or be accompanied by a copy or summary of the proposed amendment or state the general nature of the proposed amendment.

Article 8

REGISTERED AGENT

Section 1. The corporation must maintain a registered agent in the State of Mississippi.

Section 2. Upon death, disability or resignation of the registered agent, the Chairman of the Board is responsible for appointing a new registered agent.

Section 3. A registered agent may be removed by a majority vote of the Directors then in office.