

**BYLAWS
OF
ALLIANCE FOR ACCREDITATION AND CERTIFICATION OF
STRUCTURED LANGUAGE EDUCATION, INC.
(as amended on October 10, 2008)**

Article I

GENERAL

Section 1.1. Name.

The name of the organization is **Alliance For Accreditation and Certification of Structured Language Education, Inc.** (the "Corporation"). The Corporation is incorporated under the laws of the State of Maryland. The principal office of the Corporation shall be located initially in 8600 LaSalle Road, Chester Building, Suite 382, Baltimore, MD 21286-2044, and subsequently at such other place or places as the Board of Directors shall determine.

Section 1.2. Purpose.

The purposes for which the Corporation is organized are set forth in the Corporation's Charter.

Section 1.3. Limitations.

The Corporation shall observe all local, state and federal laws which apply to a non-profit organization as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Corporation shall not engage in any action of a purely political nature or take part in or lend its influence or facilities, either directly or indirectly, to the nomination, election or appointment of any persons for office in city, county, state or national elections. This shall not be construed as preventing the Corporation from encouraging the consideration by the citizenship of such matters as are primarily of civic or commercial interest or upon which the citizenship may subsequently be called upon to vote, such as bond elections or referenda for schools, the object of which is deemed to be beneficial to civic or commercial interests or betterment.

Article II

BOARD OF DIRECTORS

Section 2.1. Duties.

The government and policy making responsibilities of the Corporation shall be vested in the Board of Directors, which shall control its property, be responsible for its finances, and direct its affairs.

Section 2.2. Directors.

(a) **Regular Directors.**

(i) The number of directors constituting the Board of Directors shall be not less than six (6) nor more than twenty-four (24), the exact number of which to be fixed and determined from time to time by the Board of Directors of the Corporation at least thirty (30) days prior to each Annual Meeting of the Board of Directors. The initial Board of Directors shall be the persons named

as the initial Board of Directors in the Corporation's Articles of Incorporation. **Thereafter, the Board of Directors shall, at all times, consist of an equal number, but in no event less than two(2), persons** representing each organization actively participating in the Corporation's business and affairs and meeting the other criteria set forth below or as determined from time to time by the Board of Directors (each a "Participating Organization") who are nominated as such Participating Organizations' representatives on the Board of Directors of the Corporation. Each Participating Organization shall designate two persons as its **alternates** to serve on the Board of Directors, should either or both of its representatives be removed or otherwise be unable, for any reason, to serve or continue to serve as a member of the Board of Directors and as a representative of such Participating Organization on the Board of Directors. Each Participating Organization shall designate the representative on the Board of Directors to which each such alternate relates. Each appointee as a Participating Organization's representative on the Board of Directors and the corresponding alternate for such representative shall serve until their successors are duly elected, appointed, designated and qualified. Each representative of a Participating Organization on the Board of Directors of the Corporation (and such representative's alternate) shall serve at the will and pleasure of such Participating Organization appointing them, and either may be removed, for or without cause, by such entity at any time by written notice to the Corporation. If a representative of a Participating Organization serving as a member of the Board of Directors of the Corporation is removed prior to the expiration of his term or otherwise ceases, for any reason, to serve in such capacity, such representative's alternate shall automatically become such Participating Organization's representative on the Board of Directors of the Corporation upon notice to the Board of Directors of the Corporation to such effect. If any alternate is removed for any reason, or otherwise ceases, for any reason, to serve in such capacity, such Participating Organization shall nominate and appoint a person to fill such alternate's vacancy by giving notice of such nomination and appointment to the Board of Directors of the Corporation. The initial Participating Organizations shall be the Academic Language Therapy Association, the Academic Language Therapy Association Centers Council, The International Dyslexia Association and the International Multisensory Structured Language Education Council. Other organizations shall be entitled to participate in the Corporation's business and affairs as determined by the Board of Directors and thereby become Participating Organizations who meet some or all of the following criteria as determined by the Board of Directors:

(A) Is tax-qualified as a Section 501(c)(3) corporation with the Internal Revenue Service (a "Tax-qualified Corporation") and which offers accreditation and/or certification to training courses and/or individuals dedicated to preparing teachers or therapists to serve individuals with dyslexia or related disorders; and

(B) Is a Tax-qualified Corporation whose work is limited to accreditation and/or certification; or

(C) Has financial resources that are sufficient to provide appropriate services and a reasonable expectation of continuity; or

(D) Has successfully accredited training courses and/or certified individuals for three (3) consecutive years; or

(E) Has a published accreditation and/or certification process; or

(F) Has standards that are consistent with that of other Participating Organizations; or

(G) Desires to further the purposes of the Corporation.

Alternatively, in the discretion of the Board of Directors, an organization may seek to become a Participating Organization and, pending review by the Board of Directors, may be designated as a formal candidate to become a Participating Organization after a period of not to exceed two (2) consecutive years of successfully satisfying all of the requirements imposed by the Board of Directors.

(ii) The Corporation elects to be subject to §3-804(b) of the Maryland General Corporation Law (the “MGCL”). No member of the Board of Directors need be a resident of the State of Maryland. Each member of the Board of Directors shall be elected at the Annual Meeting of the Board of Directors except as provided in this Section 2.2(a) and Sections 2.4 and 2.5. The Board of Directors shall be classified with respect to the time for which they shall severally hold office by dividing the Board into three (3) classes, with each class being as nearly equal in number as possible. The initial Board of Directors shall agree among themselves as to the class of each director or, failing such agreement, shall draw lots or otherwise randomly determine the class of each such director. After such determination, the Board of Directors shall designate by resolution, from among its members, the directors to serve as Class I Directors, Class II Directors and Class III Directors. The term of office of the Class I Directors shall continue until the first Annual Meeting of the Board of Directors following the date on which they are first elected and until their successors are duly elected and qualified. The term of office of the Class II Directors shall continue until the second Annual Meeting of the Board of Directors following the date on which they are first elected and until their successors have been duly elected and qualified. The term of office of the Class III Directors shall continue until the third Annual Meeting of the Board of Directors following the date on which they are first elected and until their successors are duly elected and qualified. At each Annual Meeting of the Board of Directors of the Corporation, the successors to the class of directors whose term expires at that meeting shall be elected to hold office for a term continuing until the Annual Meeting of the Board of Directors of the Corporation held in the third year following the year of their election and until their successors have been duly elected and qualified. In the absence of a provision in the Articles of Incorporation or these Bylaws fixing the term of office, a director shall hold office until his successor shall have been duly elected, appointed or designated and qualified. As used in these Bylaws, the term “director” shall mean the directors of this Corporation other than advisory directors or *ex-officio* directors. A plurality of all of the votes cast at a meeting of the Board of Directors at which a quorum is present is sufficient to elect a director.

(iii) Each Participating Organization to remain in good standing and in order to participate in the Corporation’s business and affairs, including representation on the Board of Directors, as provided in these Bylaws, shall, on an annual or other periodic basis as determined by the Board of Directors, pay dues or other charges or assessments as determined by the Board of Directors from time to time.

(b) **Advisory Directors.** The Board of Directors shall have the power and authority to elect one or more persons to serve as advisory directors of the Corporation. Any persons so elected as advisory directors of the Corporation shall be designated as such. Each person so elected as an advisory director of the Corporation shall serve at the pleasure of the Board of Directors. Any advisory director so elected shall receive notice of each meeting of the Board of Directors of the Corporation and shall be entitled to participate in the discussion with respect to each matter brought before such meeting, but shall have no voting rights.

Section 2.3. Holding Over.

In case of failure to elect directors at the designated time, the directors holding over shall continue to manage the business and affairs of the corporation until their successors have been duly elected and qualified.

Section 2.4. Change in Number.

The number of directors may be increased or decreased by resolution of the Board of Directors from time to time, but no decrease shall have the effect of shortening the term of any incumbent director. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at any meeting of the Board of Directors called for that purpose by the affirmative vote of a majority of the remaining directors then in office, even if the remaining directors do not constitute a quorum.

Section 2.5. Vacancies.

Any vacancies occurring in the Board of Directors resulting from the death, resignation, retirement, disqualification or removal from office of any director may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, at any meeting. Any director elected to fill such a vacancy shall be eligible for election to a full term on the Board of Directors at the next annual meeting of the Board. A director elected by the Board of Directors to fill a vacancy shall serve until the next annual meeting of the Board of Directors of the Corporation and until his/her successor is duly elected and qualified; provided, however, that a director elected to fill a vacancy which results from the removal of a director shall serve for the balance of the term of the removed director.

Section 2.6. Removal.

Any director may be removed, only for cause, at any meeting of the Board of Directors by the affirmative vote of at least two-third (2/3) of all of the votes entitled to be cast by the Board of Directors generally in the election of directors.

Section 2.7. Ex-Officio Directors.

The immediate past president of the Corporation shall serve a one (1) year term as an *ex-officio* member of the Board of Directors. The Board of Directors shall have such other *ex-officio* members as the Board shall from time to time designate. Each *ex-officio* director shall serve in a non-voting, advisory capacity.

Section 2.8. Meetings.

(a) **Annual Meetings.** The Annual Meeting of the Board of Directors shall be held annually at such time and place as the Board of Directors shall determine. At the Annual Meeting of the Board of Directors, the Board of Directors shall elect directors. At such meeting, subject to Section 3.3, the Board of Directors shall also elect officers to serve for the ensuing year and until their successors are elected and qualified. At the Annual Meeting, the Board of Directors may also transact any and all other business as may properly come before the meeting.

(b) **Regular Meetings.** Regular meetings of the Board of Directors shall be held at least three (3) times a year in the fall, spring and at least one other time during each year at such place or places as from time to time may be designated by the Board of Directors and communicated to all directors by written notice. Except as otherwise expressly provided by statute, or by the Charter or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular meeting need be specified in a notice or a waiver of notice.

(c) **Special Meetings.** Special meetings of the Board of Directors may be called by the President of the Corporation on at least three (3) days' notice to each director. Special meetings may also be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Directors. Except as otherwise expressly provided by statute, or by the Charter or

by these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or a waiver of notice.

(d) **Place of Meetings; Telephonic Meetings.** All meetings, unless otherwise designated by the person or persons calling the meeting, shall be held at the principal office of the Corporation. Any meeting of the Board of Directors of the Corporation may be held by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by such means constitutes presence in person at the meeting.

(e) **Notices of Meetings.** Unless otherwise provided by statute, the Charter or these Bylaws, written or printed notice stating the place, time and hour of any meeting of the Board of Directors shall be delivered either personally or by mail, facsimile or other written means to each director not less than seven (7) days before each meeting of the Board of Directors. If mailed, notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to a director at his address as it appears on the records of the Corporation and, if by facsimile or other written means, notice shall be deemed to be delivered upon the receipt of written confirmation of delivery.

Section 2.9. Quorum; Majority Vote.

- a. At all meetings of the Board of Directors a majority of the entire Board of Directors shall constitute a quorum for the transaction of business unless a greater number is required by statute or the Charter or Bylaws of the Corporation. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically provided by statute or by the Charter or by these Bylaws. If a quorum is not present at a meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A director may vote in person or by written proxy executed by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable without condition or qualification unless the proxy states that it is irrevocable and is coupled with an interest. Any member of the Board of Directors of the Corporation shall have the right to vote by mail on a stated proposal or for the election of members of the Board of Directors or any officers of the Corporation.
- b. Any vote that may be taken at a regular meeting of the board may also be taken by electronic means which shall include, but not be limited to, phone, email or fax.

Section 2.10. Term of Office.

Each person shall serve until his/her successor has been duly elected and qualified. No person who has served more than six (6) consecutive years as a member of the Board of Directors shall be eligible for election to or shall otherwise serve on the Board of Directors other than as an *ex-officio* member or advisory member of the Board (unless serving as an officer of the Corporation) until such person shall have ceased being a member of the Board of Directors for at least one (1) year.

Section 2.11. Nominating Committee.

At least thirty (30) days before the date of the Annual Meeting of the Board of Directors, the President shall appoint a Nominating Committee. The Nominating Committee, at least ten (10) days before the date of the Annual Meeting of the Board of Directors, shall select its nominees for election as officers of the Corporation. Persons serving on the Nominating Committee shall be eligible to be nominated as officers of the Corporation.

Section 2.12. Limitation of Liability.

No director of this Corporation shall be personally liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director, except that this Section 2.12 does not restrict or limit the liability of a director: (i) to the extent that it is proved that the director actually received an improper benefit or profit in money, property or services for the amount of the benefit of profit in money, property or services actually received, or (ii) to the extent that a judgment or other final adjudication adverse to the director is entered in a proceeding based on a finding in the proceeding that the director's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. Neither the amendment nor repeal of this Section 2.12, nor the adoption of any provisions of the Charter of this Corporation inconsistent with this Section 2.12, shall eliminate or reduce the effect of this Section 2.12 in respect of any matter occurring, or any cause of action, suit or claim that, but for this Section 2.12, would accrue or arise, prior to such amendment, repeal or adoption of any inconsistent provision. If, after approval of this Section 2.12, the MGCL or the Courts and Judicial Proceedings Article (the "Court's Article") is amended to authorize corporate action further restricting or limiting the personal liability of directors, or the Corporation's Charter further restricts or limits the personal liability of directors, then the liability of a director of this Corporation shall be restricted or limited to the fullest extent permitted by the MGCL, the Court's Article or this Corporation's Charter, as so amended from time to time.

Article III

OFFICERS

Section 3.1. Elected Officers.

(a) The officers of the Corporation shall be a President, President-elect, one or more Vice Presidents, a Secretary and a Treasurer. There may be such other officers, assistant officers and agents, including an Executive Director, as the Board of Directors may deem necessary.

(b) No agent or employee of the Corporation need be a director of the Corporation or resident of the State of Maryland.

(c) Any two or more offices may be held by the same person, provided however, a person may not serve concurrently as both President and a Vice President of the Corporation. Any person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge or verify an instrument required by law to be executed, acknowledged or verified by more than one officer.

Section 3.2. Election of Officers.

Except as provided by Sections 3.3 and 3.5, all officers shall be elected by the Board of Directors at the Annual Meeting of the Board of Directors. Each newly-elected officer (other than any person who succeeds himself in office) shall take office immediately following his/her election. Any person elected as an officer of the Corporation by reason of the death, disability, retirement, disqualification or removal from office of an officer or by reason of the occurrence of a vacancy of the office of any officer for any other reason, shall take office immediately upon his/her election. The initial officers shall be elected by the Board of Directors at the organizational meeting of the Board of Directors. The President-elect shall assume the office of President immediately following the election of officers at the Annual Meeting of the Corporation.

Section 3.3. Term of Office.

Except for the initial officers who shall hold office until the Annual Meeting of the Board of Directors in calendar year 2004, each officer of the Corporation shall hold office for a term of two years until the next Annual Meeting of the Board of Directors and until his successor is duly elected and qualified or until his death, resignation, retirement, disqualification or removal from office. No officer shall serve more than four (4) successive years in the same office without an intervening year.

Section 3.4. Removal.

Any officer, employee or agent may be removed from the position held by them at any time by the majority vote of the directors present at any meeting of the Board of Directors at which a quorum is present whenever in their judgment the best interests of the Corporation will be served thereby. The removal of any officer, employee or agent shall not prejudice any of his/her contract rights.

Section 3.5. Filling of Vacancies.

Any vacancy occurring in any office of the Corporation (by death, resignation, removal or otherwise) may be filled by the Board of Directors of the Corporation.

Section 3.6. President.

The President shall serve as chairman of the Board of Directors and of the Executive Committee, if any. The President shall appoint standing and special committees and task groups as required, and as approved by the Board of Directors. In the absence or disability of the President, his duties shall be performed and his powers exercised by the Vice Presidents, if any, in order of seniority, and, if none, by such person or persons as appointed by the Board of Directors of the Corporation. The President shall be an *ex-officio* member of all committees appointed by the President or the Board of Directors.

Section 3.7. Vice Presidents.

The Corporation may have one or more Vice Presidents. The Vice Presidents, if any, shall generally assist the President and shall have such powers and perform such duties and services as from time to time shall be prescribed or delegated to them by the Board of Directors.

Section 3.8. Secretary.

The Secretary shall see that notices are given of all meetings of the Board of Directors and shall keep and attest true records of all proceedings of all such meetings. He shall keep and account for all books, documents, papers and records of the Corporation, except those for which some other office or agency is properly accountable. He shall generally perform all duties and shall have authority to exercise all the powers usually appertaining to the office of secretary of a corporation. In the absence or disability of the Secretary, the duties shall be performed by such person as shall be appointed by the Board of Directors.

Section 3.9. Treasurer.

The Treasurer shall be the chief accounting and financial officer for the Corporation and shall have active control and shall be responsible for all matters pertaining to the accounts and finances of the Corporation.

The Treasurer shall submit a detailed financial report at all annual and regular meetings of the Board of Directors consisting of at least a balance sheet and a statement of receipts and disbursements.

Section 3.10. Authority.

Officers and agents shall have such authority and perform such duties in the management of the Corporation as are provided in these Bylaws or as may be provided by resolution of the Board of Directors not inconsistent with these Bylaws.

Section 3.11. Limitation of Liability.

No officer of this Corporation shall be personally liable to the Corporation for monetary damages for an act or omission in the officer's capacity as an officer, except that this Section 3.12 does not restrict or limit the liability of an officer: (i) to the extent that it is proved that the officer actually received an improper benefit or profit in money, property or services for the amount of the benefit or profit in money, property or services actually received, or (iv) to the extent that a judgment or other final adjudication adverse to the officer is entered in a proceeding based on a finding in the proceeding that the officer's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. Neither the amendment nor repeal of this Section 3.12, nor the adoption of any provisions of the Charter of this Corporation inconsistent with this Section 3.12, shall eliminate or reduce the effect of this Section 3.12 in respect of any matter occurring, or any cause of action, suit or claim that, but for this Section 3.12, would accrue or arise, prior to such amendment, repeal or adoption of any inconsistent provision. If, after approval of this Section 3.12, the MGCL or the Court's Article is amended to authorize corporate action further restricting or limiting the personal liability of officers, or the Corporation's Charter further restricts or limits the personal liability of officers, then the liability of an officer of this Corporation shall be restricted or limited to the fullest extent permitted by the MGCL, the Court's Article or this Corporation's Charter, as so amended from time to time.

Article IV

COMMITTEES

Section 4.1. General.

The Board of Directors, by resolution adopted by the Board of Directors, may designate and appoint from among its members, an Executive Committee and other committees composed of one or more directors. Each committee shall have such duties and responsibilities as set forth in such resolutions as adopted by the Board of Directors. The Board of Directors may designate one or more persons as alternate members of any committee who may, subject to any limitations imposed by the Board of Directors, replace absent or disqualified members at any meeting of that committee.

Section 4.2. Specific Committees.

In addition to other committees which may be designated by the Board of Directors, the Corporation shall have the following committees:

- (a) Executive Committee.
- (b) Nominating Committee.

- (c) Corporate Development and Planning.
- (d) Special Projects.
- (e) Finance.
- (f) Ethical Standards and Practices.

In addition to the committees hereinabove established, the Board of Directors may establish one or more other committees upon the occurrence of certain events enumerated in one or more resolutions adopted by the Board of Directors of the Corporation.

Section 4.3. Number; Qualifications; Term.

The composition of the membership, the qualifications, the voting and other rights of members of any such committee, subject to the continued service of members of the committee as directors, shall be set forth in one or more resolutions adopted by the Board of Directors of the Corporation. Each committee and the members thereon shall serve at the pleasure of the Board of Directors.

Section 4.4. Authority.

Except as limited by statute, the Charter or these Bylaws, any committee of the Board of Directors, to the extent provided in any resolution adopted by the Board of Directors, shall have and may exercise the authority of the Board of Directors granted to such committee in the management of the business and affairs of the Corporation.

Section 4.5. Change in Number.

The number of members of any committee of the Board of Directors may be increased or decreased from time to time by resolution adopted by the Board of Directors.

Section 4.6. Removal.

Except as specifically provided by statute, the Charter or these Bylaws, any member of a committee of the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby.

Section 4.7. Vacancies.

A vacancy occurring in any committee (by death, resignation, removal or otherwise) may be filled by the Board of Directors in the manner provided for original designation in Section 4.1.

Section 4.8. Meetings.

The time, place and notice (if any) of committee meetings shall be determined by the committee.

Section 4.9. Quorum and Majority Vote.

At meetings of any committee of the Board of Directors, a majority of the members of such committee shall constitute a quorum for the transaction of business. The act of a majority of the members present at any

meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by statute, the Charter, or these Bylaws. If a quorum is not present at a meeting of a committee, the members present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum is present.

Section 4.10. Rules.

Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors, including the formation of subcommittees.

Article V

INDEMNIFICATION; INSURANCE

Section 5.1. Indemnification of Directors.

(a) The Corporation shall, to the fullest extent permitted by, and in accordance with, the MGCL, as the same exists or may hereafter be amended, indemnify any director or officer of the Corporation made a party to any proceeding by reason of service in that capacity. Indemnification shall be made against judgments, penalties, fines, settlements and reasonable expenses actually incurred by a director or officer in connection with the proceeding.

(b) If a claim under paragraph (a) of this Section 5.1 is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct that make it permissible under the laws of the State of Maryland for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense will be on the Corporation. Neither the failure of the Corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he/she has met the applicable standard of conduct set forth in the laws of the State of Maryland or an actual determination by the Corporation (including its Board of Directors or independent legal counsel) that the claimant has not met such applicable standard of conduct shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) Indemnification and advancement of expenses as provided in this Section 5.1 shall not be deemed exclusive of any other rights, by indemnification or otherwise, to which a director or officer may be entitled under the Charter of the Corporation or the Bylaws, a resolution of the Board of Directors of the Corporation, an agreement or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

(d) (1) The Corporation may purchase and maintain insurance on behalf of any persons who are or were serving as a director or officer of the Corporation or who are or were serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against and incurred by any such persons in any such capacity or arising out of any such person's position, whether or not the Corporation would have the power to indemnify against liability under the provisions of this Section 5.1 or the MGCL.

(2) The Corporation may provide similar protection, including a trust fund, letter of credit or surety bond, not inconsistent with this Section 5.1.

(3) The insurance or similar protection may be provided by a subsidiary or an affiliate of the Corporation.

(e) Any indemnification of, or advance of expenses to, a director or officer in accordance with this Article Fifth, if arising out of a proceeding by or in the right of the Corporation, shall be reported in writing to the Board of Directors of the Corporation with the notice of the next meeting of the Board of Directors or prior to the meeting.

(f) As used in this Section 5.1, the terms “director,” “corporation,” “expenses,” “official capacity,” “party,” and “proceeding” shall have the meanings given such terms in Section 2-418 of the MGCL.

Article VI

AMENDMENT OF BYLAWS

These Bylaws may be altered, amended or repealed or new Bylaws may be adopted at any meeting of the Board of Directors at which a quorum is present, by the affirmative vote of a majority of the entire Board of Directors, provided notice of the proposed alteration, amendment or repeal is contained in the notice of such meeting.

Article VII

GENERAL

Section 7.1 Interested Parties.

(a) **General Policy.** Members of the Board of Directors of the Corporation and members of any committee shall conduct their personal affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as members of the Board of Directors or any committee on which they serve. Any new member of the Board of Directors of the Corporation or of any committee shall be advised of the provisions of this Section 7.1 upon entering the duties of his office.

(b) **Validity.** A contract or other transaction between the Corporation and any of its directors or (or between the Corporation and any other corporation, firm or other entity in which any of its directors is a director or has a material financial interest) is not void or voidable solely because of any one or more of the following:

(1) The common directorship or interest; or

(2) The presence of the director at the meeting of the Board of Directors of the Corporation or a committee of the Board of Directors of the Corporation which authorizes, approves or ratifies the contract or transaction; or

(3) The counting of the vote of the director for the authorization, approval or ratification of the contract or transaction.

(c) **Disclosure; Approval.** The foregoing provisions set forth in Section 7.1(b) of these Bylaws shall, however, apply only if:

(1) The fact of the common directorship or interest is disclosed or known to:

(A) The Board of Directors of the Corporation or the committee of the Board of Directors of the Corporation and the Board or the committee authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum; or

(B) The members of the Board of Directors of the Corporation entitled to vote, and the contract or transaction is authorized, approved or ratified by a majority of the votes cast by the directors entitled to vote other than the vote by the interested director or corporation, firm or other entity; or

(C) The contract or transaction is fair to the Corporation.

(d) **Voting; Quorum.** Common or interested members of the Board of Directors of the Corporation or a committee of the Board of Directors of the Corporation may be counted in determining the presence of a quorum at a meeting of the Board of Directors of the Corporation or a committee of the Board at which the contract or transaction is authorized, approved or ratified.

(e) **Non-Exclusive.** The provisions set forth in this Section 7.1 shall not be construed to invalidate any contract or transaction which would be valid in the absence of this provision.

Section 7.2. Notice.

(a) **Method.** Whenever by statute or the Charter or these Bylaws, notice is required to be given to any director, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice but any such notice may be given (a) in writing, by mail, postage prepaid, addressed to the director at the address appearing on the books of the Corporation, or (b) in any other method permitted by law.

(b) **Waiver.** Whenever, by statute or the Charter or these Bylaws, notice is required to be given to any director, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

Section 7.3. Books and Records.

The Corporation shall keep books and records of account and shall keep minutes of the proceedings of its Board of Directors and each committee of its Board of Directors.

Section 7.4. Checks and Notes.

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 7.5. Fiscal Year.

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 7.6. Action Without Meeting.

(a) Any action required or permitted to be taken at any meeting of the Board of Directors of the Corporation or any consent to any action of the Board of Directors of the Corporation may be taken without a meeting if a consent in writing, setting forth the action to be taken or consent given, is signed by not less than the minimum number of directors that would be necessary to authorize or take the action at a meeting of the Board of Directors of the Corporation that was duly called and held as provided in these Bylaws, provided the Corporation gives notice of the action to each member of the Board of Directors not later than ten (10) days after the effective time of the action. Any such consent shall be filed with the minutes of proceedings of the Board of Directors.

(b) Any action required or permitted to be taken at any meeting of a committee of the Board of Directors of the Corporation may be taken without a meeting if a unanimous consent in writing which sets forth the action is signed by each member of the committee and filed with the minutes of proceedings of the committee.

(c) A telegram, telex, cablegram or similar transmission by a director or a member of a committee of the Board of Directors, or a photographic, photostatic, facsimile or similar reproduction of a writing signed by a director or member of a committee of the Board of Directors shall be regarded as signed by the director or member of a committee for purposes of the MGCL and these Bylaws.

Latest Revision 7/11/06

3137713v6