

**BYLAWS  
OF  
CAPSTONE EDUCATION GROUP, Inc.**

**ARTICLE I  
NAME**

Section 1.1 Name. The name of the non-profit corporation is Capstone Education Group. (the "Corporation").

**ARTICLE II  
OFFICE**

Section 2.1 Principal Office. The principal office for the transaction of the activities and affairs of the Corporation is 4488 Poplar Avenue, Memphis, Tennessee 38117. The Board of Directors may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

Section 2.2 Other Offices. The Board of Directors may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

**ARTICLE III  
PURPOSE**

Section 3.1 Purpose. The Corporation is organized exclusively for charitable, scientific, literary and educational purposes under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal code, including for such purposes, the establishment, operation and support of one or more Charter Schools in accordance with the Tennessee Public Charter Schools Act of 2002, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the "Code"), or corresponding section of any future federal code, and within the aforesaid limitations, to the extent consistent with the Corporation's Charter, to do any and all things permitted for a corporation not for profit under the Tennessee Nonprofit Corporation Act Section 48-51-101, *et. seq.* (the "Act").

Section 3.2 Nondiscriminatory Policy. The Corporation admits students of any race, color, national origin and ethnic origin to all the rights, privileges, programs and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national origin and ethnic origin in administration of its educational policies, admission policies, scholarship and loan programs, and athletic and other school-administered programs.

## **ARTICLE IV BOARD OF DIRECTORS**

Section 4.1 Board of Directors. In accordance with its Charter, the Corporation shall have no members. All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation including financial and business matters managed under the direction of, its Board of Directors.

Section 4.2 Number, Tenure and Qualifications. The Board of Directors shall consist of not less than five (5) and not more than nine (9) individuals, including the Executive Director of the School. The exact number is to be determined by the Board of Directors at its sole discretion. Directors need not be residents of the State of Tennessee. The number of Directors may be fixed or changed from time to time, within the minimum and maximum, by the members of the Board of Directors; provided, however, that a decrease in the number of Directors shall not shorten an incumbent Director's term. Initial Directors may be named in the Charter or, if not, may be elected by the Incorporator(s) of the Corporation. Thereafter, Directors shall be elected by a majority vote of the incumbent Directors of the Corporation present and voting. The Directors shall be elected at the annual Directors' meeting to be held during the second quarter of the calendar year. The term of each Director shall be three (3) years, as determined by the Directors when in office at the time of the election of each Director. At the end of the three (3) year term, the Director may elect to step down or be nominated to serve a second three (3) year term. A Director may serve for an indefinite time unless two-thirds (2/3rds) of the members of the Board of Directors request that the Director resign from his or her position. Despite the expiration of a Director's term, he or she shall continue to serve either until his or her successor is elected and qualified or until there is a decrease in the number of Directors.

Section 4.3 Resignation of a Director. A Director may resign at any time by delivering written notice to the Board of Directors, the President, or to the Corporation. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date. A vacancy created by a resignation that will occur at a specific later date may be filled before the vacancy occurs, but the new Director may not take office until the vacancy occurs. A Director may voluntarily request to be removed from the Board of Directors and later ask to be reinstated after the next three (3) year term has been completed. A Director shall resign when such Director can no longer agree with or uphold the Corporation's doctrinal statement.

Section 4.4 Removal of Directors. Any member of the Board of Directors may be removed by the affirmative vote of a majority of the then acting Directors, with or without cause, at any annual meeting or any special meeting of the Board of Directors called for that purpose and attended by a quorum of the Directors. Any vacancy in the Board of Directors caused by removal, death, resignation or an increase in the number of Directors by reason of amendment of the Bylaws shall be filled as specified in Section 4.5.

Section 4.5 Vacancies. Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors may be filled by an affirmative vote of the Directors then in office. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. In the event of a vacancy on the Board of Directors reducing the number of Directors to less than five (5), an election shall be held as soon as possible and not more than ninety (90) days from the time the Board of Directors, the President, or the Corporation receives the Director's written notice of resignation.

Section 4.6 Regular Meetings of the Board of Directors. The Board of Directors shall meet on a quarterly basis, at least four (4) times per calendar year, at a regularly appointed time and place, as established by the Board of Directors. The President may waive any regular meeting of the Board of Directors. The Board of Directors shall permit any or all of the Directors to participate in a regular meeting by, or conduct such meeting through the use of, any means of communication by which all of the Directors participating may simultaneously hear each other during such meeting. A Director participating in a meeting by this means shall be deemed to be present in person at such meeting.

Section 4.7 Annual Meeting of the Board of Directors. The annual meetings of the Board of Directors shall be held in or out of the State of Tennessee during the second quarter of the calendar year, at such time, date and place as determined by the Board of Directors.

Section 4.8 Special Meetings of the Board of Directors. The Board of Directors may hold special meetings in or out of the State of Tennessee, and such meetings may be called by the President or a majority of the Board of Directors. The Board of Directors shall permit any or all of the Directors to participate in a special meeting by, or conduct such meeting through the use of, any means of communication by which all of the Directors participating can simultaneously hear each other during such meeting. A Director participating in a meeting by this means shall be deemed to be present in person at such meeting.

Section 4.9 Notice of Meetings of the Board of Directors. Written notice regarding the regular meetings of the Board of Directors shall be issued at least seven (7) days in advance of such meeting. Special meetings of the Board of Directors shall be preceded by at least two (2) days' notice to each Director of the date, time and place of such meeting. Except as provided in Section 7.6, the notice need not describe the purpose of the special meeting. Any Board of Directors action to remove a Director or to approve a matter which would require approval by the members if the Corporation had members shall not be valid unless each Director is given at least seven (7) days' written notice that the matter will be voted upon at a Directors' meeting or unless notice is waived pursuant to the provisions of Section 4.11 of these Bylaws. Notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of adjournment does not exceed one (1) month in any one (1) adjournment.

Section 4.10 Action Without Meeting. Action required or permitted to be taken by the laws

of the State of Tennessee at a meeting of the Board of Directors may be taken without a meeting. If all the Directors consent to taking such action without a meeting, the affirmative vote of the number of Directors that would be necessary to authorize or to take such action at a meeting shall be the act of the Board of Directors. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each Director in one (1) or more counterparts, indicating each signing Director's vote or abstention on the action, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this section shall be effective when the last Director signs the consent, unless the consent specifies a different effective date. A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.

Section 4.11 Waiver of Notice. A Director may waive any notice required by these Bylaws, the Charter, the Act, or by any provision of the laws of the State of Tennessee, before or after the date and time stated in the notice. The waiver must be in writing, signed by the Director entitled to the notice, and filed with the minutes or corporate records. In addition, a Director's attendance at or participation in a meeting waives any required notice to him or her of such meeting unless the Director at the beginning of such meeting (or promptly upon his or her arrival) objects to holding such meeting or transacting business at such meeting and does not thereafter vote for or assent to the action taken at such meeting.

Section 4.12 Quorum and Voting. Except as otherwise provided by the laws of the Act, the Charter or these Bylaws, a quorum of the Board of Directors consists of two-thirds (2/3rds) of the Directors in office immediately before a meeting begins. When a quorum is once present to organize a meeting, a meeting may be later adjourned despite the absence of a quorum caused by the subsequent withdrawal of any of those Directors present. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors unless the Act, the Charter or the Bylaws require the vote of a greater number of Directors. A Director who is present at a meeting of the Board of Directors when corporate action is taken shall be deemed to have assented to the action taken unless: (i) he or she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding it or transacting business at such meeting; (ii) his or her dissent or abstention from the action taken is entered in the minutes of the meeting; or (iii) he or she delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation immediately after adjournment of such meeting. The right of dissent or abstention shall not be available to a Director who votes in favor of the action taken.

Section 4.13 Discharge of Duties. A Director shall discharge his or her duties as a Director, including his or her duties as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Corporation. In discharging his or her duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one (1) or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent

in the matters presented; (ii) legal counsel, public accountants or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Board of Directors of which he or she is not a member, as to matters within its jurisdiction, if the Director reasonably believes the committee merits confidence. However, a Director is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by these Bylaws unwarranted. A Director shall not be liable for any action taken as a Director, or any failure to take any action, if said Director has performed the duties of said Director's office in compliance with these Bylaws or if said Director is immune from suit pursuant to the provisions of Section 48-58-601 of the Act, as now in effect or as may be hereafter amended. A Director shall not be deemed to be a trustee with respect to the Corporation or with respect to any property held or administered by the Corporation including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

## **ARTICLE V OFFICERS**

Section 5.1 Officers. The officers of the Corporation shall be elected by the Directors for a term of two (2) years and shall serve until their successors are elected and qualified. Officers must be elected by a majority vote of those Directors present and voting, but not less than two-thirds (2/3rds) of the current Directors serving on the Board of Directors. The officers shall be elected at the Annual Directors' meeting. All terms of office shall begin on July 1. The officers of the Corporation shall consist of at least a President and Secretary. The Board of Directors may also elect vice-presidents, a treasurer, and such other officers as the Board of Directors may, from time to time, deem appropriate. Any person may hold two (2) or more offices, except the same person cannot be both President and Secretary. The officers need not be Directors. If the office of any officer appointed by the Board of Directors becomes vacant for any reason, the vacancy shall be filled by the Board of Directors. Any officer elected or appointed by the Board of Directors shall be subject to removal with or without cause at any time by the affirmative vote of a majority of the Board of Directors. All officers, agents and employees, other than officers appointed by the Board of Directors, shall hold office at the discretion of the officer appointing them.

Section 5.2 Duties of the President. The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board of Directors. The President shall have general and active management of the business of the Corporation and shall exercise general supervision and administration over all of the Corporation's affairs, with the power to make all contracts in the conduct of the regular and ordinary course of business of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute any and all deeds, bonds, notes, guaranties, financing statements, mortgages, deeds of trust, security agreements and other contracts on behalf of the Corporation. The President shall be ex-officio a member of all standing committees and shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation. The President may appoint and discharge an Executive Director of the Corporation and fix his or her compensation,

subject to the general supervisory power of the Board of Directors, and do and perform such other duties as from time to time may be assigned to said President by the Board of Directors and as may be authorized by law.

Section 5.3 Duties of the Vice President. The Vice President shall, in the President's absence, perform all of the President's duties and responsibilities.

Section 5.4 Duties of the Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in one (1) or more books provided for that purpose and shall authenticate records of the Corporation. The Secretary shall attend to the giving and serving of all notices of the Corporation as required by said Secretary, shall attend to such correspondence as may be assigned to said Secretary, shall perform all other duties incidental to the office of Secretary, and shall perform such other duties as from time to time may be assigned to said Secretary by the President or by the Board of Directors.

Section 5.5 Duties of the Treasurer. The Treasurer shall have the care and custody of all of the funds and securities of the Corporation and deposit the same in the name of the Corporation in such bank or banks as the Directors may elect. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors or by the President, taking proper vouchers for such disbursements, and shall render to the President and Directors, whenever they may require, an account of all said Treasurer's transaction as Treasurer and of the financial conditions of the Corporation, and at a regular meeting of the Board of Directors a like report for the preceding year. The Treasurer shall have the authority delegated to said Treasurer by the Board of Directors to sign checks, drafts, notes and orders for the payment of money.

Section 5.6 Discharge of Duties. An officer with discretionary authority shall discharge his or her duties under that authority in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner said officer reasonably believes to be in the best interest of the Corporation. In discharging his or her duties, an officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one (1) or more officers or employees of the Corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. However, an officer is not acting in good faith if said officer has knowledge concerning the matter in question that makes the reliance otherwise permitted by these Bylaws unwarranted. An officer shall not be liable for any action taken as an officer, or any failure to take any action, if said officer has performed the duties of the office in compliance with these Bylaws.

Section 5.7 Vacancies. If the office of any officer becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the Board of Directors may choose a successor to fill the vacancy who shall hold office until the next annual election or

until such officer's successor shall be duly elected and qualified.

## **ARTICLE VI COMMITTEES**

Section 6.1 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one (1) or more committees, each of which shall consist of at least the Executive Director of the school, one (1) member of the Board of Directors, and designated members of the school community, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation, as so designated by the Board of Directors. However, no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Corporation; amending the articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage or all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board of Directors. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or an individual Director, of any responsibility imposed on it or said individual by law. Committees shall at all times remain subject to the control and supervision of the Board of Directors.

Section 6.2 Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated as by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be appointed by the President of the Corporation. Any members thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

Section 6.3 Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Directors of the Corporation and until such committee member's successor is appointed, unless the committee is sooner terminated, or unless such member is removed from such committee, or unless such member ceases to qualify as a member thereof. One (1) member of each committee shall be appointed chair by the person or persons authorized to appoint the members thereof.

Section 6.4 Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

Section 6.5 Quorum. Unless otherwise provided in the resolution of the Board of

Directors designating a committee, a majority of the whole committee shall constitute a quorum, and the act of the majority of the members present at the meeting at which a quorum is present shall be the act of the committee.

Section 6.6 Rules. Each committee may adopt rules for its own government not inconsistent with the Charter, these Bylaws, or with rules adopted by the Board of Directors.

## **ARTICLE VII MISCELLANEOUS**

### Section 7.1 Notice.

- (a) Any notice required or permitted to be given shall be in writing, except that oral notice is effective if it is reasonable under the circumstances and not prohibited by the Act, the Charter, or these Bylaws. Oral notice is effective when communicated if communicated in a comprehensible manner.
- (b) Notice may be communicated in person; by telephone, telegraph, teletype or other form of wire or wireless communication; or by mail or private carrier. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or by radio, television or other form of public broadcast communication.
- (c) Written notice by the Corporation to a Director, if in a comprehensible form, is effective when mailed, if mailed first class, postpaid and correctly addressed to the Director's address shown in the Corporation's current record of Directors.
- (d) A written notice or report delivered as part of a newsletter, magazine or other publication regularly sent to Directors shall constitute a written notice or report if addressed or delivered to the Director's address shown in the Corporation's current record of Directors, or in the case of Directors who are residents of the same household and who have the same address in the Corporation's current record of Directors, if addressed or delivered to one (1) of such Directors, at the address appearing on the current list of Directors.
- (e) Written notice to a domestic or foreign corporation (authorized to transact business in this State) may be addressed to its registered agent at its registered office or to the Corporation or its Secretary at its principal office shown in its Charter or Application for a Certificate of Authority, as most recently amended.
- (f) Except as provided above, written notice, if in a comprehensible form, is effective at the earliest of the following: (i) when received; (ii) five (5) days after its deposit in



the United States mail, if mailed correctly addressed and with first class postage affixed thereon; (iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or (iv) twenty (20) days after its deposit in the United States mail, if mailed correctly addressed, and with other than first class, registered or certified postage affixed.

- (g) If the laws of the State of Tennessee prescribe notice requirements for particular circumstances, those requirements govern. If the Charter or any Bylaw prescribes additional notice requirements, not inconsistent with the laws of the State of Tennessee, those requirements govern.

Section 7.2. Indemnification of Directors and Officers. Subject to any limitations set forth in the Charter, the Corporation shall indemnify and advance expenses to each present and future Director or officer of the Corporation, or any person who may serve at its request as a Director or officer of another company (and, in either case, his or her heirs, estate, executors or administrators) to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted. The Corporation may indemnify and advance expenses to any employee or agent of the Corporation who is not a Director or officer (and his or her heirs, estate, executors or administrators) to the same extent as to a Director or officer, if the Board of Directors determines that it is in the best interests of the Corporation to do so. The Corporation shall also have the power to contract with any individual Director, officer, employee or agent for whatever additional indemnification the Board of Directors shall deem appropriate. The Corporation shall have the power to purchase and maintain insurance on behalf of an individual who is or was a Director, officer, employee or agent of the Corporation, or who, while a Director, officer, employee or agent of the Corporation, is or was 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, employee benefit plan, or other enterprise, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a Director, officer, employee or agent, whether or not the Corporation would have the power to indemnify him or her against the same liability under these Bylaws.

Section 7.3 Records. The Corporation shall keep as permanent records minutes of all meetings of its Board of Directors; a record of all actions taken by the Board of Directors without a meeting; and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation. The Corporation shall maintain appropriate accounting records. The Corporation or its agent shall maintain a record of its Directors in a form that permits preparation of a list of the names and addresses of all Directors, in alphabetical order. The Corporation shall maintain its records in written form or in other form capable of conversion into written form within a reasonable time. The Corporation shall keep at its principal office a copy of its Charter or Restated Charter and all amendments thereto currently in effect; its Bylaws or Restated Bylaws and all amendments to them currently in effect; the minutes of all meetings of the Directors and records of all actions approved by the Directors for the past three (3) years; all written communications to Directors generally within the past three (3) years, including the financial

statements furnished for the last three (3) years under Section 48-66-201 of the Act; a list of the names and business and home addresses of its current Directors and officers; and its most recent annual report delivered to the Secretary of State. The Directors, or their agent or attorney, shall have the right to inspect all books and records for any proper purpose during regular business hours.

Section 7.4 Reports. The Corporation shall prepare annual financial statements that include a balance sheet as of the end of the fiscal year and an income statement for that year. If financial statements are prepared for the Corporation on the basis of generally accepted accounting principles, the annual financial statement must also be prepared on that basis. If the annual financial statements are reported upon by a public accountant, said public accountant's report must accompany them. If not, the statements must be accompanied by a statement of the President or the person responsible for the Corporation's accounting records stating such person's reasonable belief whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation, and describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

Section 7.5 Seal. The Corporation shall have the power to have a corporate seal, which may be altered at will, and to use it, or a facsimile of it, by impressing or affixing it, or in any other manner reproducing it; provided, however, that the Corporation shall not be required to have a seal and the absence of such seal on any document shall not affect its validity.

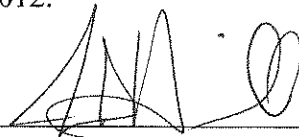
Section 7.6 Expenditures. Except as otherwise provided herein, the Corporation shall not lend funds to any person for personal use. Furthermore, the Corporation shall not assume any responsibility for any expenses or debts incurred by the Directors, officers, employees or volunteers which have not been previously approved by the Board of Directors.

Section 7.7 Amendment of Bylaws. The Bylaws may be amended by the Board of Directors of the Corporation. The Corporation shall provide notice of any meeting of Directors at which an amendment is to be approved at least ten (10) days prior to such meeting. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the Bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. The amendment must be endorsed by at least two (2) members of the Board of Directors and must be approved by two-thirds (2/3rds) of all members of the Board of Directors in office at the time the amendment is adopted.

Section 7.8 Dissolution and Liquidation of the Corporation. The Corporation may be dissolved only by a three-fourths (3/4ths) vote of the Directors present and voting at a duly called meeting of the Board of Directors. In the event the Corporation is dissolved, the residual assets of the Corporation shall be distributed to one (1) or more organizations, which themselves are organizations described in Sections 501(c)(3) and 170(c)(2) of the Code, or any corresponding section of any future federal tax code, or to the federal, state or local government (or to any political subdivision thereof) for exclusively public purposes as the Board of Directors shall determine in accordance with Section 48-64-101, *et seq.* of the Act.

Section 7.9 Conflict of Interest. Any directors, officers or key employee who has an interest in a contract or other transaction presented to the Board of Directors or a committee thereof for authorization, approval or ratification shall make a prompt and full disclosure of his or her interest to the Board of Directors or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction which might be reasonably construed to be adverse to the Corporation's interest. The Board of Directors shall then determine, by a vote of not less than seventy-five percent (75%) of the votes entitled to vote thereon, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor participate in (other than to present factual information or to respond to questions) the discussions or deliberations with respect to such contract or transaction. Such person may be counted in determining whether a quorum is present, but may not be counted when the Board of Directors or a committee of the Board of Directors takes action on the transaction. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present.

DATED this 29<sup>th</sup> day of MARCH, 2012.

  
\_\_\_\_\_, President and Chairman  
of the Board of Directors