AMENDED AND RESTATED BYLAWS

OF

NORTHEAST OHIO CLASSICAL ACADEMY

ARTICLE I
NAME; LEGAL STATUS

1.1. Name, Location and Address. The name of the Corporation is Northeast Ohio Classical Academy (hereafter referred to as "Corporation"), and the name of the charter school governed by the Corporation is the Northeast Ohio Classical Academy (hereafter referred to as the "School"). The Corporation may at any time and from time to time change the location of its principal office, though the Corporation expects to maintain its principal address at the School. The School is located at 137 Heritage Woods Drive, Copley OH 44321.

1.2. Legal Status. The Corporation is a nonprofit entity under Ohio law. It exists in order to create, promote, and govern the operations of the School. The School is a public charter School pursuant to ORC Chapter 3314.

ARTICLE II
PURPOSE

2.1. Purpose. The Corporation is an Ohio public benefit corporation organized exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or any corresponding provisions of an Ohio Community School pursuant to Chapter 3314 of the Ohio Revised Code. The Corporation shall be permitted to engage in any lawful activity that may be conducted by an Ohio nonprofit public benefit corporation that is exempt from the federal income tax under section 501(c)(3) of the Internal Revenue Code or successor provision. The Corporation shall not engage in any activities which are not in furtherance of the charitable and educational purposes set forth above.

ARTICLE III
MEMBERS

3.1. No Members. The Corporation shall have no members. Any action which would otherwise by law require approval by members shall require only approval of the Board of Directors. All rights shall vest in the Board of Directors.

ARTICLE IV
DIRECTORS; OFFICERS

4.1. Definition. The Corporation shall be governed by its Directors; as a body the Directors constitute the Board of Directors (hereafter referred to as "Board").

4.2. Duties of Directors and Officers and Reliance on Information. A Director or Officer shall perform all duties as such in good faith, in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and with the care that an ordinary prudent person in a like position would use under similar circumstances.

A Director or Officer may rely on information, opinions, and reports prepared by others reasonably believed to be reliable and competent in matters prepared or presented.

4.3. Powers and Duties. Without prejudice to its general powers, but subject to the same limitations set forth herein, the Board shall have, in addition to any other powers enumerated in these Bylaws and permitted by law, the power to conduct, govern, oversee, and control the affairs and activities of the Corporation and to make such rules, policies, and regulations therefore which are not inconsistent with law, the Corporation's Articles of Incorporation or these Bylaws.

4.4. Number, Election, Tenure, Qualifications, and Requirements of Directors. The number of Directors shall be a range consisting of no fewer than five (5) but not more than nine (9) persons. The Board shall fix the exact number of Directors, within these limits, by Board resolution or by amendment of the Bylaws, excepting that the number can only be increased by a two-thirds (2/3) vote of current directors. At no time shall more than two (2) Directors be parents of students attending the School.

a. The Directors of the Board shall, upon election, immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified, except in cases of resignation or removal. All Directors of the Board must be approved by a two-thirds (2/3) vote of the Directors then in office.

b. Terms shall be staggered so that no more than half of the Board shall be up for election in any one year, unless a vacancy needs to be filled. When the term of a Director has expired or when a Director resigns or has been removed, the remaining Directors shall elect a new Director to fill the vacancy. Full terms are for no more than three (3) years; when a Director fills a vacancy, they are elected to serve the remainder of the replaced Director's three-year term.

c. Newly created Directorships resulting from an increase in the number of Directors and vacancies occurring in the Board for any reason, may be filled by a vote of the majority of the Directors then in office.

d. Each Director must be an individual person who is twenty-five (25) years of age or older. Qualifications for Board Directorship shall include but not be limited to: (a) enthusiasm for the School and conviction in its purpose as described in these Bylaws; (b) agreement to abide by an established Board code of conduct and to comport themselves prudently and ethically, holding themselves accountable to good governance and public fiduciary and stewardship practices; (c) commitment to professional development and the completion of any state requirements for training or development; (d) special skills to address specific oversight and needs of the School; (e) willingness to accept and support decisions democratically made; and (f) ability to represent the School to the community when needed.

e. Each Director shall attend at least eight (8) regular monthly meetings of the Board per year. Failure to attend the minimum number of regular meetings may constitute cause for removal.

f. A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (*i*) the death, resignation, or removal of any Director; (*ii*) whenever the number of authorized Directors is increased; or (*iii*) the failure of the Board, at any meeting at which any Director or Directors are to be elected, to elect the full authorized number of Directors. The Board may by resolution adopted by the vote of a majority of the Directors declare vacant the office of a Director who has been declared of unsound mind by

an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under state law. Whenever any vacancy occurs in the Board, it shall be filled without undue delay by a majority vote of the current Directors at a regular or special meeting of the Board.

g. Directors are limited to two (2) consecutive terms of office, though a Director may serve two (2) terms after being elected to fulfill the remainder of a term vacated by another Director. After two consecutive normal terms, a Director must remain off the Board for six (6) full calendar years before being eligible for re-election.

h. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and state law.

4.5. Compensation. Directors of the Board shall not receive any compensation for their services as Directors or Officers. All Board members are required to obtain the approval of the Board in advance of engaging in travel or encumbering other expenses on behalf of the School. Any such reasonable and approved expenses that are not reimbursed by the School shall be construed as a gift to the School.

4.6. Removal or Resignation. Any Director of the Board may be removed for cause by the affirmative vote of two-thirds (2/3) of the Directors then in office, excluding the member at issue, whenever in their judgment such removal would serve the best interests of the School. A Director may resign at any time by giving written notice to the Board, the President or the Secretary. Unless otherwise specified in the notice of resignation, the resignation shall take effect upon the receipt thereof by the Board or Officer, and the acceptance of the resignation shall not be necessary to make it effective.

The Board may by majority resolution declare vacant the office of a Director who fails to attend two (2) Board meetings during any calendar year unless the absences are due to mitigating factors that have been previously disclosed to and approved by the Board.

The Board may, by a two-thirds (2/3) vote of the Directors, excluding the Director at issue, declare vacant the position of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

4.7. Number, Election, Tenure, and Description of Officers. The Officers of the Board shall include a President, Vice President, Secretary, Treasurer, and such other Officers as the Board shall deem necessary to elect ("Officers").

a. The Board shall elect and appoint by majority vote of the Directors all Officers of the Board at an annual meeting of the Board, which Officers shall be installed in office at such annual meeting to serve for terms of one (1) year or until their successors have been duly elected and qualified. If more than one (1) nominee exists for any vacancy, the Directors shall hold as many votes as may be necessary for one (1) nominee to receive the votes of two-thirds of the Directors then in office.

b. Any Officer may be removed, with cause, by the Board at any regular or special meeting of the Board by a two-thirds (2/3) vote of the Directors then in office.

c. President. Subject to Board policy and Board direction, the Board shall elect a President who shall lead the Board in its oversight of the Corporation and of School

management. The President, as chief governance officer, shall act as chair, presiding over meetings of the Board and exercising and performing such other powers and duties as may from time to time be assigned to him or her by the Board or prescribed by these Bylaws. The President shall not individually have the authority to make decisions about policies created by the Board or engage in matters of accountability and authority delegated to the School Leader or to give directives to the School Leader, as that authority is possessed only by the Board as a whole. The President is not the chief executive of the Corporation or the School, nor does he or she have any greater authority regarding operations than any other Director. The President is a specially empowered member of the Board whose role is to assure the integrity of the Board's processes and, secondarily, to occasionally represent the Board to outside parties on matters such as announcing Board-stated positions and in stating his or her decisions and interpretations within an area delegated to him or her by the Board.

The assigned result of the President's job is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the Corporation. The authority of the President consists in making decisions that fall within topics covered by Board policies on governance process and the Board-School Leader relationship, with the exception of employment and termination of the School Leader and where the Board specifically delegates portions of this authority to others. The President is authorized to use any reasonable interpretation of the provisions in these policies.

d. Vice President. The Board shall elect a Vice President to assist the President in presiding over the Board. The Vice-President shall perform duties as are conferred upon or assigned to him/her by the Board of Directors or the President. At the request of the President, or in his/her absence or disability, the Vice-President shall perform all the duties of the President, and when so acting, shall have the powers and duties of the President.

e. Secretary. The Board shall elect a Secretary who shall keep or cause to be kept a book of minutes and other critical Board documents of all meetings of the Board at the principal office or at such other place as the Board may order. Such minutes shall contain the time and place of holding of each meeting, whether regular or special and if special, how authorized, the notice given thereof, the name or names of those present at the Board meetings and the proceedings thereof, assuring general adherence to the tenets of the most current edition of *Robert's Rules of Order* and state law. The Secretary shall give or cause to be given notice of all the meetings of the Board required by these Bylaws or by law. The Secretary of the Board shall exercise and perform such other powers and duties as may be prescribed by the Board from time to time.

f. Treasurer. Subject to Board policy and Board direction, the Board shall elect a Treasurer who shall assist the Board in the oversight of the School's financial performance, reporting, and safeguarding. The Treasurer shall monitor the financial affairs of the Corporation. So long as the Corporation is operating a community school as defined in Chapter 3314 of the Ohio Revised Code, the office of Treasurer shall be held by the Corporation's appointed designated fiscal officer, who shall not be a member of the Board of Directors. The Corporation's designated fiscal officer shall hold such licenses and receive such training as required by Ohio law. The Treasurer shall cause to be kept adequate and correct accounts of its assets and liabilities, receipts, disbursements, gains, losses, together with such other accounts as may be required, and, review and answer board members' questions about the annual audit and he/she shall perform such other duties as from time to time may be assigned to him/her by the Board of Directors. Upon the expiration of his/her

appointment, the designated fiscal officer shall turn over to the Board of Directors all property, books, papers, and money of the Corporation in his/her hands.

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

h. A vacancy in any office because of death, resignation, removal, or otherwise, may be filled by the Board by a majority vote of then-current Directors for the unexpired portion of the term.

4.8. School Leader. Subject to such supervisory powers as may be given by the Board, the business, affairs, and property of the School, and all Board authority delegated to the staff and faculty, shall be delegated through and managed by a head of school so that all authority and accountability of staff and faculty and the management of the School, as far as the Board is concerned, is considered to be the authority and accountability of the head of school, who shall be employed by the Board at its pleasure and accountable to the Board collectively to serve as the chief executive and administrator of the School ("School Leader"). The Board shall provide oversight of the School Leader and will direct and instruct the School Leader to achieve certain end results for the School through the Board's establishment of certain policies designed to describe those end results it expects and any means it does not.

The School Leader shall hold final authority in the management of the School, outside the broader powers of the Board. As such, the School Leader's accountability is an accumulation of the responsibilities of the staff and faculty and is held to the judgment of the Board who shall monitor the School Leader diligently and respectfully. The School Leader will be responsible for the performance of the School and will be accountable to the Board. The Board may establish reporting requirements of the School Leader and may delegate other duties and responsibilities to the School Leader as determined by the Board. The School Leader shall keep the Board President, or their designee, informed on significant items between meetings of the Board.

4.9. Work of the Board. The Board shall set about doing its work with fidelity to the tenets of sound governance and practices so as to effectively bring about its purpose with integrity and efficiency. The Board's collective efforts shall work to establish the ends it is established to create through explicit policy and guidelines for the prudent and ethical function of the Corporation and School. Though it shall at all times dutifully safeguard its decision authority on all matters as described herein these Bylaws, it shall retain such primary practical and workload interest in:

a. Setting the Board's work plan and agenda for the year and for each meeting;

b. Determining Board training and development needs;

c. Attending to discipline in Board attendance, following these Bylaws and other self-imposed rules;

d. Becoming expert in good governance practices and policy-making;

e. Establishing the limits of the School Leader's authority to budget, administer finances and compensation, establish programs, and otherwise manage the operations of the School through the Board's proscriptive policy, instruction, and other guidelines;

f. Establishing the results, recipients, and acceptable costs of those results that justify the Corporation's existence;

g. Examining monitoring data and determining whether the Corporation or School has achieved a reasonable interpretation of Board-stated and charter-required criteria;

h. Conducting a regular self-assessment and Board evaluation so as to improve its effectiveness and governance practices, including its compliance to the policies it creates;

i. Establishing and executing a long-term strategic plan for the School's growth and fiscal and operational sustainability.

ARTICLE V
MEETINGS

5.1. Regular Meetings. The Board shall establish a regular schedule for regular meetings that shall occur monthly, no fewer than ten (10) months per year. Minutes of each Board meeting shall be taken and approved by the Board and made available to the public under state requirements.

5.2. Special Meetings. Special meetings may be called by or at the request of the President or any two (2) Directors. Special meetings should only be called when circumstances require immediate action or in order to resolve specific items of business that could not be treated in a regular meeting. The President or the Directors responsible for calling the meeting shall make every reasonable effort to ensure that all Directors are able to attend. Minutes of each special meeting shall be taken and approved by the Board.

5.3. Emergency Meetings. On very rare occasions, the Board may need to call an emergency meeting; the Board will take all reasonable steps to provide notice of such meetings and will ensure that notice and procedure for such meetings follow state statute.

5.4. Notice. Absent controlling state statute, notice of all regular meetings must occur at least ten (10) days in advance of an affected meeting. If any such regularly scheduled meeting date shall change, notice of such change shall be made twenty-four (24) hours in advance, or as soon as a change is identified as necessary if less than twenty-four (24) hours. Directors should receive notice by telephone, electronic methods, or by written notice; the public should receive notification via reasonable methods that may include, but are not limited to, print and electronic media. Absent controlling state statute, notice of any special meeting of the Board shall be given at least twenty-four (24) hours in advance of the meeting by telephone, electronic methods, or by written notice. Any Director may waive notice of any meeting. The attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board need be specified in the notice, unless specifically required by law or by these Bylaws. The notice for special meetings must include the purpose of the meeting and a description of the business to be transacted at the meeting.

5.5. Quorum and Voting. A quorum at all meetings of the Board shall consist of a majority of the number of Directors then in office. The act of a majority of the Directors of the Board present at any meeting at which a lawful quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws. Proxy voting is not permitted.

5.6 Action Without Meeting. Unless otherwise prohibited by law, any action which may be taken at any meeting of Directors, or a committee thereof, may be authorized or taken without a meeting with unanimous consent of the Directors who are entitled to vote on such action, to be evidenced, in writing, by the Directors. The writing or writings evidencing such action taken without a meeting shall be filed with the Secretary of the Corporation and inserted by the Secretary in the permanent records of the Corporation relating to meetings of the Board or of its committees.

ARTICLE VI
CONFLICTS OF INTEREST

6.1. Annual Disclosure. All Directors will annually disclose in writing to the Board the existence of any relationship or interest which could give rise to a conflict.

6.2. Conflict of Interest. The Corporation shall adopt a conflicts of interest policy to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director or Officer, or another interested person defined within the conflicts of interest policy.

6.3. Nepotism. The prohibitions against conflicts of interest have the following consequences for Directors:

a. The conflicts of interest policy shall define relationships and interests which may result in a conflict of interest for an individual Director and the procedures to be followed by the Board when an actual or potential conflict has been disclosed.

b. In addition to procedures outlined in the conflicts of interest policy, if the School or Corporation directly employs the child, parent, or spouse of a Director as a full-time, paid employee, the Director in question must resign within sixty (60) days of an accepted offer of employment or within forty-five (45) days of the employee's first day of full-time employment, whichever comes sooner.

ARTICLE VII
COMMITTEES

7.1. Purpose of Committees. Before forming any Board committee, the Board will first ascertain that the committee's purpose is to help the Board do its work. The Board will not form any committee intended to help manage the School or assume any delegated authority and accountability designated to the School Leader.

7.2. Committees. By one or more resolutions adopted by the vote of a majority of the Directors present in person at a meeting at which a quorum is present, the Board of Directors may designate one or more committees, each of which, to the extent provided in the resolution establishing such committee and these Bylaws, shall have and may exercise specific delegated authority. Each committee must include at least one *(1)* Director and shall not include a number of Directors that is equal to or greater than a majority of the Board at any time. The delegation of authority to any committee shall not operate to relieve the Board of Directors or any Director from any responsibility or standard of conduct imposed by law or these Bylaws. Rules governing procedures for meetings of any committee shall be the same as those set forth in these Bylaws and the Policies of the Board of Directors, or as may be required under state law. Any committee may be given certain specific delegated authority except that no committee may:

a. approve any action for which state law also requires approval of the Directors or approval of a majority of all Directors;

b. fill vacancies on the Board or in any committee which has the authority of the Board;

c. fix compensation of the Directors for serving on the Board or on any committee;

d. amend or repeal Bylaws or adopt new Bylaws;

e. amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

f. appoint any other committees or the members of these committees;

g. approve any transaction (*i*) between the Corporation and one or more of its Directors or (*ii*) between the Corporation and any entity in which one or more of its Directors have a material financial interest; or

h. have express delegated authority to make decisions on behalf of the Board collectively, but shall make recommendations for the Board's final approval, as appropriate.

7.3. A majority of the committee members shall constitute a quorum for the transaction of committee business, except to adjourn. A majority of the committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Every act taken or decision made by a majority of the committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the committee, subject to the provisions of state law or these Bylaws relating to actions that require a majority vote of the entire Board.

7.4. The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a committee, increase or decrease but not below two (2) the number of members of a committee, and fill vacancies in a committee from the Directors of the Board.

7.5. Standing Committees. The Board of Directors will constitute and appoint Directors to several permanent standing committees, including a governance committee, an audit and financial oversight committee, and a risk management oversight committee.

a. The governance committee exists to assist the Board in developing optimum Board performance with the goal of sustaining it upon Director turnover. The committee's duties include identifying and recruiting potential candidates for Board service and coordinating election and orientation of newly elected Directors. It is also responsible for coordinating ongoing Board self-assessment and professional development that is both meaningful and practical. The committee will ensure, on behalf of the Board, that any required criminal history checks on candidates, Officers and Directors are initiated in a timely manner and the results reported to the Board. The committee shall also be vigilant, as needed, in reminding the Board, its Officers, its committees, and its individual members of the importance of complying with the Board's Bylaws, Officer and Director code of conduct, conflict of interest disclosures and any related Board policies.

b. The audit committee exists to assist the Board in ensuring that the School's money and assets are being properly managed and accounted for, as well as being safeguarded against fraud, waste, and abuse. The committee's duties include soliciting proposals from independent auditors as needed, regularly reviewing financial reports and source documents for irregularities, and confirming the timely and accurate submission of various compliance reports such as corporate tax documents and authorizer mandated financial reports. With the guidance of the Board's attorney, the committee shall also

investigate allegations of financial wrong-doing by senior management and shall receive reports from senior management regarding any investigations of financial wrong-doing it is conducting of subordinate personnel.

c. The risk management oversight committee exists to assist the Board in ensuring that sound risk management is occurring in the School to include oversight of adequate insurance coverages (including policy renewal), confirmation of timely completion by management of background checks of staff, faculty, and volunteers, campus safety plans, emergency action plans and related policies.

d. The operational oversight committee exists to assist the Board in the implementation and management of established Board policies and procedures relating to excellence in staff and facility management.

e. The community affairs committee exists to assist the Board in the implementation and management of approved Board strategies and tactics relating to excellence in community affairs, marketing, events and communications.

ARTICLE VIII
PARLIAMENTARY AUTHORITY

8.1. Parliamentary Authority. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall generally govern the Board's meetings in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order or procedures the Board may adopt or determine.

ARTICLE IX
AMENDMENTS

9.1. Bylaws. These Bylaws may be amended, altered, or repealed and new Bylaws may be adopted by the Board of Directors by an affirmative vote of two-thirds (2/3) of all the Directors then in office at any meeting of the Board, provided that the full text of the proposed amendment, alteration, or repeal has been submitted in writing at the previous regular meeting.

9.2. Articles of Incorporation. The Articles of Incorporation of the School may be amended in any manner at any regular or special meeting of the Board by an affirmative vote of two-thirds (2/3) of all the Directors then in office, provided that specific written notice of the proposed amendments of the Articles setting forth the proposed amendment or a summary of the changes to be effected thereby has been submitted in writing at the previous regular meeting.

9.3. Conflict with Articles of Incorporation. If, at any time, any provision of these Bylaws conflicts with any provision of the Corporation's Articles of Incorporation, the provisions of the Articles of Incorporation shall control, and the portion of these Bylaws that conflicts with the Articles of Incorporation shall be void to the extent of the conflict with the Articles of Incorporation.

ARTICLE X
BOOKS AND RECORDS

10.1. Books and Records. The Board shall keep complete books and records of account and minutes of the proceedings of the Board of Directors and committees having any authority of the Board of Directors. All books and records shall be kept in written form or in another form capable of conversion into written form within a reasonable period of time.

10.2 Fiscal Year. The Fiscal Year begins July 1st and ends on June 30th.

10.3. Inspection Rights. Every Director shall have the right at any reasonable time to inspect the books, records, documents of every kind, and physical properties, as permitted by State law. These inspection rights do not extend to records that are confidential under law including, but not limited to, private student records.

ARTICLE XI
CONTRACTS, LOANS AND DEPOSITS

11.1. Checks, Drafts and Notes. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness or encumbrances of school funds issued in the name of the School shall only occur within the confines of explicit Board policy.

11.2. Deposits. All funds of the School not otherwise employed shall only be deposited to the credit of the School in such banks, trust companies, or other custodians located in the State of Ohio as the Board may select. The Board must verify the existence of such accounts on an annual basis.

ARTICLE XII
CONSTRUCTION

12.1. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the State of Ohio Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, words in these Bylaws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires, and the word "person" includes both a Corporation and an individual person. The captions and headings in these Bylaws are for convenience of reference only and are not intended to limit or define the scope or effect of any provisions.

ARTICLE XIII
INDEMNIFICATION

13.1. General. Each Director, Officer, and employee, or a former Director, Officer, or employee, shall be indemnified by the Corporation against expenses (including attorney fees), judgments, decrees, fines, penalties, or amounts paid in settlement reasonably incurred in connection with the defense of any pending or threatened or completed action, suit, or proceeding, whether criminal, civil, investigative, or administrative, to which he or she is or may be a party by reason of being or having been such Director, Officer, or employee; provided: (a) he or she is adjudicated or determined not to have been negligent or guilty of misconduct in the performance of his duty to the Corporation; (b) he or she is determined to have acted in good faith and in a manner in what he or she reasonably believed to be in or not opposed to the best interest of the Corporation; and (c) in any matter the subject of a criminal action, suit, or proceeding, he or she is determined to have had no reasonable cause to believe that his or her conduct was unlawful. The determination as to (b) and (c) and, in the absence of adjudication by a court of competent jurisdiction, the determination as to (a), shall be made by the Directors of the Corporation acting at a meeting at which a quorum consisting of Directors who are not parties to or threatened with any such action, suit or proceeding is present. Any Director who is a party to or threatened with any such action, suit, or proceeding shall not be qualified to vote and, if for this reason, a quorum of Directors cannot be obtained to vote on such indemnification, no indemnification shall be made unless such indemnification is approved by: (a) the holders of a majority of the voting shares of the Corporation, excluding for the purposes hereof shares held or controlled by every person who is a party to or threatened with any such action,

suit, or proceeding; or (b) a court of competent jurisdiction. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled and shall inure to the benefit of the heirs, executors, and administrators of such person.

13.2 Limitation of Liability. To the fullest extent authorized by law any current or former Director, Officer, employee, or agent, shall not be liable for any and all losses, claims, damage, liabilities, expenses (including attorney's fees), judgements, fines, settlements, and all other reasonable cost and expenses actually and necessarily incurred by such person in connection judgements, degrees, fines, penalties, amounts paid in settlement, and other liabilities for any act Director, Officer, employee or agent takes or fails to take as a Director, Officer, employee or agent of the Corporation, unless it is proved, by clear and convincing evidence, in a court of competent jurisdiction, that the act or omission of the Director, Officer, employee or agent was one undertaken with deliberate intent to cause injury to the Corporation or was one undertaken with reckless disregard for the best interests of the Corporation.

13.3. Payment of Costs. To the fullest extent authorized by law, all costs and expense (including reasonable attorney's fees) incurred by a Director or Officer in defending any civil or criminal claim, demand, action, suit or proceeding shall be paid by the Corporation as they are incurred prior to the final disposition of the action, suit or proceeding subject to repayment of such amount if it proved by clear and convincing evidence in a court of competent jurisdiction that Director's or Officer's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Corporation or undertaken with reckless disregard for the best interests of the Corporation.