

BY-LAWS OF SOLARIA ESTATES, INCORPORATED

A NOT-FOR-PROFIT CORPORATION

**Offices**

**1.01 Principal Office.** The principal office of Sovaria Estates, a 501(c)7 nonprofit corporation (hereinafter referred to as the "Corporation"), shall be located at 8 The Green, STE B, Dover, Delaware. The Corporation may relocate the principal office, and may also establish such other offices, as the Board of Directors shall direct if the business of the Corporation so requires.

**1.02 Registered Office and Agent.** The Corporation shall maintain a registered office and a registered agent within the State of Delaware in accordance with the State requirements. The location of the registered office and the designation of the registered agent shall be approved by the Board of Directors.

**Purpose**

**2.01 Nonprofit Purpose.** This Corporation is a nonprofit corporation and is not organized for the private gain of any person, except as may accrue to individual Members of the Corporation solely through their personal recreation and activities within the virtual world, called Sovaria Estates, provided by this Corporation. It is organized as an exempt corporation under the General Corporation Law of the State of Delaware and is organized for the purposes set forth in Internal Revenue Code section 501(c)(7) or the corresponding provision of any future United States internal revenue law. Within the context of these general purposes, the Corporation's specific purposes shall be to provide its members with the enjoyment of learning about, creating, arranging and providing 2D and 3D digital creations for pleasure, recreation, art, and education simulation showcasing in a virtual world, and for the members' enjoyment of providing and experiencing education, recreation, art and entertainment with other members through and with these creations. This Corporation further shall be organized for opportunities to directly socialize among its members in a virtual world. This Corporation shall not engage in activities unrelated to its exempt purposes, except to an insubstantial degree, and shall not engage in prohibited political or legislative activity. This Corporation will be supported by members' fees, dues, and assessments, and the Corporation's net earnings will not inure to the benefit of any person having a personal and/or private interest in its activities nor to the benefit of any private person except as reasonable compensation for services rendered, goods received, and other property or valuable thing which may be acquired by the Corporation for the accomplishment of its purposes.

The Corporation's specific purposes shall be to provide a virtual world for the enjoyment of its members, and maintain this world in a secure, fiscally responsible, and law-abiding manner. Members may engage in creating components for building in the virtual world, building with components of their own or other creators', selling builds to other members (in which the Corporation has no ownership rights), socializing, fellowship, music and art events, charitable fund-raising, education, and similar purposes.

Notwithstanding any other provision in the Corporate Bylaws, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purpose of this Corporation, and the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Internal Revenue Code section 501(c)(7) or the corresponding provision of any future United States internal revenue law.

**2.02 Corporate Policy.** This Corporation and the virtual world Sovaria Estates exists to promote free choice of recreational and creative activities among its Members. In order to ensure the enjoyment of all Members, there shall be specific rules and limitations:

**(a)** No behavior, action or speech which is hateful, discriminatory, stalking or harassing to persons or to groups, on any criterion, including but not limited to race, color, religion, creed, sex, sexual orientation, gender identity, genetic status, physical or mental condition, national origin, or disability.

**(b)** No behavior, action or speech which is harmful, inflammatory, unfair, rude or aggressive. No "griefing" or "trolling" as those terms are understood in virtual worlds.

**(c)** No propaganda, advertising, proselytizing, recruitment or poaching of Members by groups or individuals, except in the course of normal discussions or by advertising in places allowed for such; in particular, public places of the virtual world may not be used in this manner.

**(d)** No extremism, violence or illegal activities. (If a Member's home government has anti-human rights laws, then as to individuals in that country, that provides an exception to the definition of illegality).

**(e)** No demonstrably false, harmful or dangerous statements, disinformation, anti-science, or *ad hominem* attacks.

**(f)** No disturbing, shocking or violent content in public places.

**(g)** Visual and auditory adult content and proposals must remain in properly labeled private spaces and may only be in public places properly labeled and intended for such.

**2.03 Dedication of Property.** (a) All corporate property is irrevocably dedicated to the purposes set forth in section 2.01. No part of the net earnings of this Corporation shall inure to the benefit of any of its directors, trustees, officers, or members, or to the benefit of any private person except as reasonable compensation for services rendered, goods received, and other property or valuable thing which may be acquired by the Corporation for the accomplishment of its purposes. (b) On the winding up and dissolution of this Corporation, after paying or adequately providing for the debts, obligations and liabilities of the Corporation, the remaining assets of this Corporation shall be distributed to nonprofit funds, foundations or corporations which have established their tax-exempt status under Internal Revenue Code sections 501(c)(7), or the corresponding provision of any future United States internal revenue law, and which have as their principal purpose the development of virtual worlds for the enjoyment and/or education of its members.

## **Construction**

**3.01** Unless the context requires otherwise, the general provisions, rules of construction and definitions in the General Corporation Law of the State of Delaware shall govern the construction of the Corporation's Bylaws.

## **Members**

**4.01** Classes. This Corporation shall have three classes of members, designated Regular, Creative, and Associate members. All three classes of membership may only be acquired in the first instance upon opening an account in Sovaria Estates, and subsequently, by compliance with the requirements set forth below.

**4.02** Qualifications and Voting Rights of Member Classes. All Members of the Corporation must also be members of the virtual world grid operated by the Corporation. The specific qualifications for and voting rights, if any, of members are as follows:

**4.02.1** Regular Members. Regular membership shall consist of members of the virtual world, Sovaria Estates, operated by the Corporation, and who have owned one or more regions in the Corporation's virtual world for a minimum of three months. (Founding, start-up members are exempt from this limitation so long as they own one or more regions in Corporation's virtual world). Regular members may be represented by their avatars. Regular members have voting privileges and may hold office. Only one regular member, or one avatar per regular member may vote and hold office. There shall be one vote per regular member, or alternatively one vote per one avatar of that regular member.

**4.02.2** Creative Members. Creative membership is awarded at the discretion of the Board of Directors, and shall consist of associate members of Sovaria Estates who contribute substantially to the purposes of the Corporation by providing significant content that has an element of expertise, rarity and/or uniqueness that substantially contributes to the enjoyment and use of members to the virtual world. Creative members may be represented by their avatars. Creative members have voting privileges and may hold office. There shall be one vote per creative member, or alternatively one vote per one avatar of that creative member.

**4.02.3** Associate Members. Associate membership shall consist of members of Corporation's virtual world who do not own one or more regions, or who have not yet owned one or more regions for at least three months. Associate members do not have voting privileges and may not hold office. Associate Members may be appointed by the Board of Directors to volunteer Committees established by the Board. They may attend the members' meetings, and may be heard at Board Meetings and Annual or Special Meetings.

**4.03** Member Fees. Each Member owning one or more regions must pay, within the time and on the conditions set by the Board of Directors, tiers established by the Board of Directors as the Board requires.

**4.04 Good Standing.** Any Member owning one or more regions who shall be in arrears in the payment of any tiers more than 21 days after the date due shall not be in good standing and shall not be entitled to vote as a Member.

**4.05 Termination.** A membership may terminate upon a decision by the Board of Directors on occurrence of any of the following events:

**(a)** Resignation of the Member and/or cancellation of the member's avatar account;

**(b)** Any event that renders the Member ineligible for membership, or failure to satisfy membership qualifications or

**(c)** The good faith determination by the Board of Directors, or a committee authorized by the Board of Directors to make such a determination, that the Member has failed in a material degree to observe such disciplinary rules or ethical guidelines as may be established by the Corporation, and/or found in the TOS or these ByLaws, or has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests including, without limitation, conviction of a felony or unethical conduct.

**4.06 Suspension.** A member may be suspended, under Section 4.07 of this Statement, based on the good faith determination by the Board of Directors, or a committee authorized by the Board of Directors to make such a determination, that the member has failed in a material degree to observe such disciplinary rules or ethical guidelines as may be established by the Corporation, or has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests including, without limitation, conviction of a felony, unethical conduct, griefing or trolling. Suspension may be for a defined period or until the member satisfies any conditions of reinstatement which may have been imposed. A person whose membership is suspended shall not be a member during the period of suspension.

**4.07 Procedure for Termination or Suspension; Reinstatement.** If grounds appear to exist for terminating or suspending a member under Sections 4.05 or 4.06 of the Corporation's Bylaws for reasons other than non-payment of tier, the following procedure shall be followed:

**(a)** The Board of Directors may immediately suspend any member who has been identified as a griever or troller, subject to being heard as described in section 407(b). The Board of Directors shall give other Members who appear to have given grounds for suspension at least 15 days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method(s) reasonably calculated to provide actual notice, including electronic mail.

**(b)** The Member shall be given an opportunity to be heard, either orally or in writing. The hearing shall be held, or the written statement considered, by the Board of Directors or by a committee authorized by the Board of Directors to determine whether the suspension or termination should occur. Any hearing

may be conducted telephonically or electronically, and should give an adequate amount of time to prepare.

**(c)** The Board of Directors or duly designated committee shall decide whether the Member should be suspended, expelled, or sanctioned in any way. The decision of the Board of Directors or authorized committee shall be final, subject to sections 4.05(d)-(e).

**(d)** Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within 15 days after the effective date of the expulsion, suspension, or termination.

**(e)** Members whose membership has been terminated under Section 4.05 who wish to be reinstated shall first apply to the Board of Directors for reinstatement. The Board of Directors may set such conditions for reinstatement as it deems appropriate, or may require the former member to reapply for membership in the Corporation under the then-current standards and procedures for membership.

**(f)** Regular Members failing to pay their tiers within 21 days of the due date shall, at the discretion of the Board of Directors, have their regions closed, and cease being Regular Members.

**4.8** Approval by the Regular Members of any of the following proposals is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

**(a)** Removing an officer or member of the Board of Directors unless proposed by the Board of Directors;

**(b)** Amending the articles of incorporation or the Corporation's Bylaws unless proposed by the Board of Directors; or

**(c)** Electing to merge the Corporation with another entity, electing to dispose of all or substantially all of the Corporation's assets, and electing to wind up and dissolve the Corporation.

**4.9** Voting Rights.

**(a)** Each Regular Member and Creative Member entitled to vote shall have the right to vote on the election of officers and at-large Board Members of the Corporation, on the disposition of all or substantially all of the Corporation's assets, on any merger and its principal terms and any amendment of those terms, on any amendment of the Corporation's Bylaws or the Corporation's Articles of Incorporation, on any election to dissolve the Corporation, on any resolution properly brought before the Members for action, and on any other matter required by law or the Corporation's Bylaws to be voted on by the members. Each Regular Member and Creative Member entitled to vote shall be entitled to one vote on each matter submitted to a vote of the voting members. Members who are not in good standing or whose memberships have been suspended or terminated shall not be entitled to vote on any matter.

**(b)** After an election has been announced, a region owner who will be unable to access technology and cast a vote during the entire period when votes shall accepted may petition the Board to designate an

alternate to vote in their place. This alternate cannot be an individual already listed among the eligible voters for the election. Upon approval of the Board, the region owner's name shall be removed from the list of eligible voters for the pending election, and the designated alternate's name shall be added.

(c) The Board shall designate one of its members as an Election Commissioner; two additional Board members will be selected to serve on the Election Committee. When an election is to be held, this three-member Election Committee will be responsible for making preparations for the election, including the manner in which ballots will be cast and the results tabulated. This Committee will be charged with ensuring that a fair election is conducted, that secret ballots are cast, that the ballots are tabulated, and that the results of the election are communicated to the Board of Directors. The Committee shall also, working in concert with the Board, ensure that all eligible voters have been appropriately identified, that those eligible voters are made aware of the election, and that only votes cast by those eligible voters are counted in the tally.

### **Board of Directors**

**5.01** Board of Directors. Subject to the provisions and limitations of the General Corporation Law of the State of Delaware and any other applicable laws, and subject to any limitations imposed by the Articles of Incorporation, the Corporation's affairs and activities shall be managed, and all corporate powers shall be exercised, by or under the direction of a Board of Directors. The Board of Directors shall be charged with the control and management of the affairs, business and properties of the Corporation. The Board of Directors may delegate the management of the activities of the Corporation to any person or persons, executive directors or committees, however composed, provided that the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, under the ultimate direction and authority of the Board of Directors.

**5.02** Rules. The Board of Directors may adopt such rules and regulations for the conduct of its meetings as it may deem proper so long as such action is not inconsistent with the laws of the State of Delaware, the Articles of Incorporation, or the Corporation's Bylaws.

**5.03** Specific Powers of the Board of Directors. Without prejudice to the general powers conferred by Sections 5.01 and 5.02 and the other powers conferred by the Corporation's Articles of Incorporation and Bylaws, it is hereby expressly declared that the Board of Directors shall have the following powers:

First: To adopt and amend rules and regulations, including disciplinary rules and procedures applicable to Members, not inconsistent with the Corporation's Bylaws, for the management of the Corporation's business and affairs.

Second: To purchase or otherwise acquire for the Corporation any property, rights, or privileges which the Corporation is authorized to acquire, at such price and on such terms and conditions and for such consideration as the Board of Directors shall, in its discretion, deem appropriate.

Third: In its discretion, to pay for any property or rights acquired by the Corporation.

Fourth: To maintain, with appropriate rules and security, redundant back-up methods of all Members' data in whatever format(s) may be appropriate, and to delegate the care, oversight and responsibility of these back-up methods to such person or persons the Board deems qualified.

Fifth: To appoint and, at its discretion, remove or suspend such subordinate Officers, agents, staff or volunteers, permanently or temporarily, as it may deem appropriate, to determine their duties and to specify their salaries or emoluments, if any, and to require security in such instances and in such amounts as the Board deems appropriate.

Sixth: To confer upon any appointed Officer of the Corporation, by resolution, the power to choose, remove, or suspend such subordinate Officers, staff or volunteers.

Seventh: To determine who shall be authorized on the Corporation's behalf to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts, and documents.

Eighth: To change the registered office in Delaware from one location to another; to appoint and approve a registered agent for the Corporation; to cause the Corporation to keep and maintain financial records available to the public located at the address of its registered agent, to cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency or country; and to conduct its activities in or outside the state of incorporation.

Ninth: It shall be the sole responsibility and authority of the Board of Directors to determine whether the Corporation and/or the virtual world Sovaria Estates should be dissolved, and to make this recommendation to the Membership. Dissolution shall not be authorized without a 70% vote of the Membership attending an Annual or Special Meeting called for the purpose of this vote.

**5.04** Number and Qualification of Members of the Board of Directors. The authorized number of members of the Board of Directors shall be nine (9), unless changed by amendment of the Articles of Incorporation or the Corporation's Bylaws. The members of the Board of Directors shall be the President, the Vice-President, the Secretary, the Treasurer, and five Board Members at Large. Members of the Board must be Regular Members or Creative Members in good standing of the Corporation.

**5.05** Manner of Election and Term of Office. The Members of the Board shall be elected by the Regular Members and Creative Members entitled to vote at the annual business meeting of the Members.

**(a)** Board members will each serve a two-year term. Each year, half of the seats on the Board of Directors (rounded up or down as needed) will be open for election.

**(b)** Each member of the Board of Directors shall take office upon election and shall hold office until a successor has been elected and qualified. If the annual meeting is not held or the directors are not elected at such meeting, the directors may be elected at any special meeting of Members held for that purpose. In the event no annual or special Members' meeting is held, the Board Members then in office shall continue to serve until such time as a Members' meeting can be held.

**5.06** Nomination. The Board of Directors may adopt rules governing the nomination of persons as members of the Board of Directors. In addition to any such rules, nominations for election of the Board of Directors and directors serving as specific officers of the Board of Directors may be made from the floor at the annual business meeting by members in good standing entitled to vote.

**5.07** Annual Meeting of the Board of Directors. The Board of Directors shall meet at least once prior to the annual business meeting of the Members to consider matters to be presented to the Members at the annual meeting. Notice of the annual meeting of the Board of Directors shall be given to each member of the Board a reasonable period of time prior to the meeting.

**5.08** Regular Meetings of the Board of Directors. Regular meetings of the Board of Directors, other than the annual meeting, shall be held at such dates and times as may be set by the Board of Directors.

**5.09** Special Meetings of the Board of Directors. Special meetings of the Board of Directors may be called by the President or any other member of the Board of Directors. Special meetings may be held on five days' notice by first class mail, postage prepaid, or on 48 hours notice delivered personally or by telephone (including a voice message system or other system or technology designed to record and communicate messages), facsimile, telegraph, electronic mail, or other electronic means. Notice of the special meeting need not be given any member of the Board of Directors who signs a waiver of notice or written consent to holding the meeting, or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to that member either before or at the commencement of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

**5.10** Telephonic Meetings. Any meeting of the Board of Directors, other than the annual meeting, may be held by conference telephone, vide screen communication, or other communications equipment. Participation in a meeting under this section shall constitute personal presence if each member participating in the meeting can communicate concurrently with all other members; each member has the capacity to propose or object to specific action to be taken by the Corporation; and it can be verified that the persons participating in the meeting via telecommunications equipment are members entitled to participate in the meeting and that the actions of or votes by the members so participating are taken or cast only by the member.

**5.11** Quorum at Meetings of the Board of Directors. A majority of the members of the Board of Directors shall be necessary at all times to constitute a quorum for the transaction of any business. If a quorum is present, the affirmative vote of a majority of the members of the Board of Directors present shall be deemed the act of the Board of Directors unless the vote of a greater number of members is required by law, the Articles of Incorporation, or the Bylaws; provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of voting members if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by the law, the Articles or the Bylaws.

**5.12** Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent to such action is electronically



signed by all members of the Board of Directors and such consent is filed with the minutes of the Board of Directors.

**5.13 Compensation of Directors.** No member of the Board of Directors shall receive any salary or compensation for his, her or their services as a member of the Board of Directors except that they may be reimbursed for reasonable expenses incurred in conducting the business of the Corporation subject to the approval of the Board of Directors.

**5.14 Conduct of Meetings.** The President or, in his, her or their absence, the Vice President, will preside at meetings of the Board of Directors. The Secretary of the Corporation or, in the Secretary's absence, any person appointed by the Board of Directors will act as Secretary of the Board and shall keep written minutes of all actions taken by the Board. The minutes shall be made available to the Board through electronic means. Minutes of all Board meetings, Members' meetings, Special meetings and other Board actions shall be maintained by the Secretary of the Corporation as a permanent record.

**5.15 Adjournment.** A majority of the members of the Board of Directors present at a meeting, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of the adjournment to another time or place must be given before the time of the adjourned meeting to the voting members who were not present at the time of the adjournment.

**5.16 Resignation of Members of Board of Directors.** Any member of the Board of Directors may resign upon giving written notice to the President, the Secretary, or to the Board of Directors; the resignation shall be approved by a majority of a quorum of the Board of Directors in order to become effective. The notice may specify a later effective date of the resignation, and then shall be effective from that date if so approved by a majority of a quorum of the Board of Directors.

**5.17 Vacancies on the Board of Directors.** A vacancy on the Board of Directors occurs on the death, resignation or removal of a member of the Board; and whenever the authorized number of members of the Board is increased. Except as otherwise provided in the Bylaws, vacancies on the Board, except for the office of President, shall be filled by appointment by the President until the next annual business meeting of the Members of the Corporation. Should the office of President become vacant, the Vice President shall assume the office of President.

**5.18 Reduction in the Number of Board of Directors Members.** Any reduction in the authorized number of members of the Board of Directors shall not result in any member of the Board being removed from office prior to the expiration of the term of his, her or their office.

**5.19 Committees.**

**(a)** Subject to the provisions of Section 5.20 below, in the event that the Board of Directors determines that the management of the Corporation and its properties, including the virtual world, would be benefited by the establishment of one or more standing or special committees or by an executive committee, the Board may from time to time establish one or more such committees. The

establishment of a standing or special committee or an executive committee shall be effected by a resolution of the Board of Directors approved by the vote of a majority of the members of the Board then in office, which specifically sets forth the powers and duties delegated to such committee. The designation of any such committee and the delegation to it of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility under the law.

**(b)** The term “standing committee” or “special committee” shall mean any committee appointed by the Board of Directors which is authorized by specific delegation, without further Board action, to make and implement decisions on behalf of the Board, or to implement, with some degree of discretion, decisions of the Board pursuant to guidelines established by the Board of Directors. Notice of, and procedures for, meetings of standing or special committees shall be as prescribed by the chairman of each such committee, and meetings of standing or special committees may be called by the Board of Directors or by the chairman of the standing or special committee. The chairman of each such committee shall be authorized to appoint volunteers to their committee pursuant to approval by the Board of Directors.

**(c)** Other individuals will be appointed by the Board of Directors to serve in operational leadership positions. Individuals serving in these operational leadership positions may be chosen from the general membership of the community. Such positions may include, but are not limited to, community government positions, chairpersons of community committees (an events committee, for example), those who manage the Welcome Area, and those overseeing technical support functions. The procedures and standards for each of these positions will be determined by the Board of Directors. Individuals appointed to such positions shall report to the Board of Directors and may be removed from office by the Board for failing to adhere to the established standards.

**5.20** Limitations Upon Committees of the Board of Directors. No committee of the Board of Directors, including any executive committee, shall have any of the authority of the Board of Directors with respect to

**(a)** the approval of any action required by law as also requiring the approval of the Regular Members;

**(b)** the filling of vacancies on the Board of Directors, or on any committee of the Board, except as specified in Section 5.19(b) of these ByLaws;

**(c)** the amendment or repeal of Bylaws or the adoption of new Bylaws;

**(d)** the amendment or repeal of the Articles of Incorporation or the adoption of new Articles;

**(e)** adopting a plan of merger or consolidation;

**(f)** recommending to the Members the sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Corporation; or

**(g)** recommending to the members a voluntary dissolution of the Corporation or a revocation thereof.

## **Officers**

**6.01 Authorized Officers; Manner of Election and Terms of Office.** The Officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The Officers shall be elected by majority vote of the Board of Directors after each Annual Meeting. Those appointed or elected to hold a corporate office shall possess the qualifications, skills, and/or aptitudes appropriate to the office held, as best determined by the Board. The Officers shall serve one-year terms of office. Each officer shall take office upon election. If the annual meeting is not held or the officers are not elected at the subsequent Board meeting, the officers may be elected at any special meeting of the Board held for that purpose. The Board of Directors may establish such other officers as are necessary to transact the business of the Corporation. No two offices shall be held by the same person, except that if the Vice President assumes the office as President pursuant to section 5.18, that person may hold both offices until the next election of officers.

**6.02 President.** The President shall be the Chief Executive Officer of the Corporation and shall preside as Chairman at all meetings of the Board of Directors and of the Members. The President shall see that the rules of order and decorum are properly enforced in all deliberations of the Corporation, and shall electronically sign the approved minutes of each meeting. The President shall have general superintendence and direction of all of the other Officers of the Corporation and shall see that their duties are properly performed. The President shall perform such other duties as the Board of Directors may direct.

**6.03 Vice-President.** The Vice-President shall act as President in all matters in the absence of the President. The Vice-President shall perform such other duties as may be prescribed by the Board of Directors or the President.

**6.04 Treasurer.** The Treasurer shall supervise all funds collections and the accounts of the Corporation; shall ensure that full and accurate accounting records are maintained at all times; and shall present such reports, including an annual report of the Corporation's financial condition, as the Board of Directors may direct. The Treasurer shall perform such other duties as may be prescribed by the Board of Directors or the President.

**6.05 Secretary.** The Secretary shall keep minutes of all meetings of the Board of Directors and of the Members; shall attend all sessions of the Board of Directors, or if unable to attend, shall request another Board member to take the minutes in his, her, or their absence; shall report unfinished business requiring action from prior meetings; shall supervise correspondence of the Corporation; and shall give, or cause to be given, notice of all meetings of the Board of Directors.

**6.06 Other Officers.** The Board of Directors or the President may designate such other subordinate officers with such duties as may be necessary or advisable for the conduct of the Corporation's affairs.

**6.07 Resignations of Officers.** Any Officer may resign his, her or their office at any time, such resignation to be made in writing and to take effect from the time the same is received by the Corporation, unless

some later time is specified in the resignation, and then from that date. The acceptance of a resignation shall not be necessary to make it effective.

**6.08 Vacancies in Office.** Except as otherwise provided in the Corporation Bylaws, vacancies in offices, except for the office of President, shall be filled by appointment by the President until the next annual business meeting of the Members of the Corporation. Should the office of President become vacant, the Vice-President shall assume the office of President.

**6.09 Compensation of Officers.** Officers of the Corporation shall serve without compensation except that they may be reimbursed for reasonable expenses incurred in conducting the business of the Corporation subject to the approval of the Board of Directors.

#### **Indemnification of Officers and Directors**

**7.01** To the fullest extent permitted by law, and once the Corporation is on steady financial footing, this Corporation shall indemnify its directors and officers, including persons formerly occupying any such positions, against all expenses (including attorney's fees), judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any action, suit, or proceeding to which any such person or his legal representative may be made a party by reason of his being or having been a director or officer of the Corporation, except that no person shall be entitled to indemnification for any liability in connection with a proceeding by or in the right of the Corporation, except for reasonable expenses incurred in connection with the proceeding, or for any liability arising out of conduct constituting any of the following:

- (a) receipt by an officer or director of a financial benefit to which the officer or director is not entitled;
- (b) an intentional infliction of harm upon the Corporation; or
- (c) an intentional violation of law.

#### **Contracts With Directors and Officers**

**8.01** No Member of the Board of Directors or Officer of this Corporation, nor any corporation, firm, association or other entity in which one or more of this Corporation's Directors or Officers have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this Corporation, unless:

- (a) the material facts regarding that Director's or Officer's financial interest in such contract or transaction or regarding such common directorship, officership or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board of Directors prior to the Board's consideration of such contract or transaction;
- (b) such contract or transaction is authorized in good faith by a majority of the Board of Directors by a vote sufficient for that purpose without counting the votes of the interested Director(s);

(c) before authorizing or approving the transaction, the Board of Directors considers and in good faith decides after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and

(d) the Corporation for its own benefit enters into the transaction, which is fair and reasonable to the Corporation at the time the transaction is entered into.

This section does not apply to a transaction that is part of an educational or charitable program of the Corporation if it (a) is approved or authorized by the Corporation in good faith and without unjustified favoritism, and (b) results in a benefit to one or more Directors or Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

(e) No loan shall be made by the Corporation to any of its Officers or Directors.

### **Corporate Records, Contracts and Accounts**

**9.01 Books and Records.** The Corporation shall keep correct and complete books and records of account, and shall keep written minutes of the proceedings of its Members, Board of Directors, and any committees having any of the authority of the Board of Directors. In addition, the Corporation shall keep at its registered office or principal office a record of the avatar names and email addresses of its Members entitled to vote. All books and records of the Corporation may be inspected by any Member, or the Member's agent or attorney, for any proper purpose at any reasonable time, with the exception of information that is required by law to be kept private. Without imposing any duty to provide photocopies of its books and records, the Corporation shall be entitled to charge a reasonable fee for providing photocopies of any book or record requested by or on behalf of a Member.

**9.02 Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Corporation in addition to the officers authorized by the bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

**9.03 Checks.** All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination, such instruments shall be signed by the Treasurer.

**9.04 Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in one or more Credit Unions located in the United States of America as the Board of Directors may select.

### **Amendments**

**10.01** Any proposed adoption, alteration, repeal or amendment of any provision of the Corporate Bylaws shall first be approved by the Board of Directors. If approved by the Board of Directors, the

proposed bylaw adoption, alteration, repeal or amendment shall be presented to the Members for approval at the next annual meeting of the Members or, if time is critical, at a special meeting of the Members. The approval of a majority of the voting Members present at the annual or special meeting shall be required for the adoption, alteration, repeal or amendment of any bylaw. Notwithstanding the foregoing, any proposed adoption, alteration, repeal or amendment of a bylaw bearing the signature of at least ten Members in good standing and submitted to the Board of Directors at least thirty days prior to the annual business meeting of Members must be submitted to the Members for action at the annual business meeting. The Board of Directors may adopt, alter, amend or repeal the bylaws provided that no such action shall become effective until approved by a majority of the voting Members present at the next annual or special meeting of Members.