

DRAFT

September 21, 2007  
Version: 4

**BYLAWS  
OF THE  
EEGS FOUNDATION**

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**OF THE**  
**EEGS FOUNDATION**

**ARTICLE I – Principal Office and Corporate Seal**

*Section 1. Principal Office.* The principal office and place of business of the Corporation in the State of Colorado shall be in the City and County of Denver, or at such other location as the Board of Directors may from time to time determine. Other offices and places of business may be established from time to time by the Board of Directors.

*Section 2. Corporate Seal.* The seal of the Corporation shall be inscribed with the name of the Corporation, the year of its incorporation, and the words "Colorado" and "Seal," and shall be in a form approved by the Board of Directors, which may alter the same at pleasure.

**ARTICLE II – Member**

*Section 1. Qualifications; Tenure.* The Environmental and Engineering Geophysical Society, a Colorado nonprofit corporation, shall be the sole member of the Corporation (the "Member" or "EEGS").

*Section 2. Annual Meeting.* There shall be held an annual meeting of the Member of the Corporation that coincides with the Fall meeting of the Board of Directors of EEGS in each year for the purpose of electing members of the Board of Directors of the Corporation and for the transaction of such other business as may come before the meeting. Notice of the annual meeting of the Member shall be included in the notice of and agenda for the meeting of the Board of Directors of EEGS at which such annual meeting is to be conducted.

*Section 3. Special Meetings.* Special meetings of the Member may be called at any time by the Board of Directors or by EEGS in its capacity as the Member of the Corporation. Special meetings shall be held at such time and place as may be designated by the authority calling such meeting. If called by the Board of Directors, written notice of the time and place of every special meeting shall be given personally or delivered by United States mail or electronic mail to the President of EEGS at least ten

days before the date fixed for the meeting. The purpose of any special meeting of the Member shall be stated in such notice.

*Section 4. Inspection of Books and Records.* EEGS, in its capacity as the sole Member of the Corporation, shall have the right, on written or oral demand, from time to time to examine and photocopy, in person or by agent or attorney, at any reasonable time and for any purpose, all of the books and records of account of the Corporation, its last annual and most recently published financial statement, and minutes of all acts and proceedings of the Board of Directors.

*Section 5. Manner of Acting.* Any action required by these Bylaws to be taken by EEGS in its capacity as the sole Member of the Corporation, or any action which may be taken by EEGS in its capacity as the sole Member of the Corporation, shall be taken by resolution of the Board of Directors of EEGS, or by any committee or officer designated from time to time by resolution of the Board of Directors of EEGS, pursuant to the procedures then in effect under the Bylaws of EEGS.

*Section 6. Action Without a Meeting.* Any action required by law to be taken at a meeting of EEGS in its capacity as the sole Member of the Corporation, or any committee thereof, or any other action which may be taken at a meeting of EEGS in its capacity as the sole Member of the Corporation, or any committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by EEGS, in its capacity as the sole Member of the Corporation.

*Section 7. Transfer of Membership.* Membership in the corporation is not transferable or assignable.

### **ARTICLE III – Board of Directors**

*Section 1. Qualifications; Election; Tenure.* The Board of Directors of the Corporation shall be composed of six directors.

All directors shall [a] possess technical expertise, experience, or skills that directly and advantageously affect the quality of the Corporation's activities, [b] have demonstrated a commitment to the Corporation's objects and purposes, [c] be willing to devote a meaningful portion of time on a voluntary basis to furthering the Corporation's affairs, and [d] have such additional or different qualifications as the Board of Directors of the Corporation may determine from time to time.

Not later than 25 days prior to the annual meeting of the Member of the Corporation, the Board of Directors of the Corporation shall nominate a number of individuals for election that is not less than the number of directors whose terms are due to expire, plus the number of vacancies among the Board of Directors of the Corporation that have not previously been filled. The names of the individuals thus nominated shall be stated in the notice of the annual meeting of the Member of the Corporation. At the

annual meeting of the Member, EEGS, in its capacity as the sole Member of the Corporation, shall elect any, all, or none of the individuals thus nominated to fill the positions of those directors whose terms are due to expire and any vacancies that have not previously been filled, provided that if EEGS, in its capacity as the sole Member of the Corporation, does not elect a sufficient number of such individuals to fill all of the positions of those directors whose terms are due to expire and any vacancies that have not previously been filled, then the Board of Directors of the Corporation shall continue promptly to nominate additional individuals, and EEGS, in its capacity as the sole Member of the Corporation, shall elect any, all, or none of such additional individuals thus nominated until such time as EEGS has elected a sufficient number of directors to fill the positions of those directors whose terms are due to expire and any vacancies that have not previously been filled.

Directors thus elected shall be elected for a term of four years and shall hold office until the annual meeting of the Member occurring at the expiration of their terms and until their successors have been elected and qualified, except of the initial directors thus elected, one shall hold office for a term of one year, one shall hold office for a term of two years, two shall hold office for a term of three years, and the remaining two individuals shall hold office for a term of four years, as the initial members of the Board of Directors shall determine. In the event of any change in the number of directors, the Board of Directors shall adjust and stagger the terms of office of the directors so that, as nearly as possible, the terms of one-quarter of the directors shall expire each year.

No director shall be eligible for election to more than two consecutive terms as a director of the Corporation, including any abbreviated term described in the preceding paragraph with respect to the initial directors of the Corporation, but excluding any term in which such director was appointed to fill a vacancy. A person who has previously served two consecutive terms as a director shall become eligible for reelection to the Board of Directors at any time more than one year after the expiration of such person's previous term of office.

*Section 2. Annual Meeting.* The annual meeting of the Board of Directors shall be held in each calendar year, on such date and at such time and at such place as the President may determine. Written notice stating the place, day, and hour of the meeting shall be given personally or delivered by United States mail or electronic mail to each member of the Board of Directors at least ten days prior to the date fixed for the annual meeting. The annual meeting of the Board of Directors shall be for the purpose of electing officers and for the transaction of such other business as may come before the meeting.

*Section 3. Regular Meetings.* A regular meeting of the Board of Directors shall be held at such place, day, and hour as the President may determine and as shall be stated in written notice given to each member of the Board of Directors either by delivering such notice by United States mail or electronic mail at least three days before, or by an oral or written communication personally delivered at least two days before, the

date fixed for the meeting. The notice of any regular meeting need not specify the business to be transacted at any such regular meeting of the Board of Directors.

*Section 4. Special Meetings.* Special meetings of the Board of Directors may be called at any time by the President or by a majority of the members of the Board of Directors. Special meetings shall be held at such time and place as may be designated by the authority calling such meeting. Notice stating the place, day, and hour of every special meeting shall be given to each member of the Board of Directors either by delivering such notice by United States mail or electronic mail at least five days before, or by an oral or written communication personally delivered at least two days before, the date fixed for the meeting. The notice of such special meeting shall specify the business to be transacted at and the purpose of any special meeting of the Board of Directors.

*Section 5. Quorum; Voting.* A quorum at all meetings of the Board of Directors shall consist of a majority of the directors holding office. Less than a quorum may adjourn from time to time without further notice until a quorum is secured. Except as provided specifically to the contrary by these Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

*Section 6. Vacancies.* Any vacancy in the Board of Directors shall be filled by the person or persons authorized by Section 1 to elect or appoint a director to the vacant position. A director appointed to fill a vacancy shall serve for the unexpired term of such person's predecessor in office and until such person's successor is duly appointed and shall have qualified.

*Section 7. Committees of the Board.* The Board of Directors of the Corporation may designate from among its members, by a resolution adopted by a majority of the entire Board of Directors, an executive committee and one or more other committees, each of which shall have and may exercise such authority in the management of the Corporation as shall be provided in such resolution or in these Bylaws. No such committee shall have the power or authority —

- [a] to amend, restate, alter, or repeal the Articles of Incorporation;
- [b] to amend, alter, or repeal these or any other Bylaws of the Corporation;
- [c] to elect, appoint, or remove any member of any such committee or any officer or director of the Corporation;
- [d] to adopt a plan of merger or consolidation with any other Corporation;
- [e] to authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation;

- [f] to authorize the voluntary dissolution of the Corporation or to revoke any proceedings for the voluntary dissolution of the Corporation;
- [g] to adopt any plan for the distribution of the assets of the Corporation;
- [h] to amend, alter, or repeal any resolution of the Board of Directors which by its terms provides that it may not be amended, altered, or repealed by such committee;
- [i] or to take any other action prohibited by law.

All committees of the Board shall keep regular minutes of their respective transactions and shall report their actions to the Board at the meeting of the Board next following such actions. The Chairperson of each committee shall be designated at the time of appointment of such committee.

*Section 8. Other Committees.* The Board of Directors of the Corporation may create, by a resolution adopted by the Board of Directors or by any committee of the Board of Directors, such other committees determined to be necessary or desirable for the purpose of assisting with the conduct of the affairs of the Corporation, which committees may consist of such individuals as the authority creating the committee deems appropriate and which shall have and may exercise such authority as shall be provided in such resolution, provided that no such committee shall have or exercise any authority regarding the management of the Corporation or have or exercise any of the powers reserved by law, the Articles of Incorporation, or these Bylaws to the Board of Directors.

*Section 9. Conflicts of Interest.* The Board of Directors acknowledges that conflicts of interest may occasionally arise and that neither the elimination from the board of all persons who might potentially have any such conflict nor the avoidance of all transactions involving a conflict of interest would necessarily serve the best interests of the Corporation. Nonetheless, each member of the Board of Directors is encouraged to avoid undisclosed conflicts of interest and to refrain from influencing the board's action on a matter in which such director is financially interested. It is therefore the policy of the Corporation to avoid the participation of any director in the Board of Directors' consideration of a matter which poses a conflict of interest for that director.

- [a] For these purposes, a conflict of interest shall be deemed to arise whenever a matter under consideration involves the potential for significant benefit to a director or a member of such director's immediate family or to any business, financial, or professional organization of which the director or a member of such director's immediate family is an officer, director, members, owner, or employee.

- [b] Whenever any matter comes before a meeting of the Board of Directors which gives rise to a potential conflict of interest, the affected director shall make known the conflict to the remaining directors present at such meeting, shall, after answering any questions posed by the other directors, withdraw from the meeting for as long as the matter is under consideration, and shall neither be present nor cast a vote.
- [c] If the withdrawal of the affected director results in the absence of a quorum, no action shall be taken on the matter in question until a quorum of disinterested directors can be established.
- [d] The minutes of a meeting at which a conflict of interest arises shall reflect that a disclosure was made, the affected director's withdrawal from the meeting and abstention from voting, and, if action is taken on the matter, the continued presence of a quorum.
- [e] As with all other matters coming before the Board of Directors, the disinterested directors shall pass upon a matter that poses a conflict of interest for another director in a manner which they reasonably and in good faith believe to be in the best interests of the Corporation. The Board of Directors shall not authorize under this Section any transaction involving a conflict of interest that would also subject the Corporation or its directors, officers, or employees to liability under Section 4941 of the Internal Revenue Code.

*Section 10. Removal.* Any member of the Board of Directors of the Corporation may be removed by EEGS, in its capacity as the sole Member of the Corporation, or by the affirmative vote of two-thirds of the Board of Directors present at a meeting at which a quorum is present whenever in their judgment such removal would serve the best interests of the Corporation.

*Section 11. Action Without a Meeting.* Any action required by law to be taken at a meeting of the Board of Directors, or any committee thereof, or any other action which may be taken at a meeting of directors, or any committee thereof, may be taken without a meeting if a every member of the board in writing either: [a] votes for such action or [b] votes against such action or abstains from voting and waives the right to demand that a meeting be held. Action is taken only if the affirmative votes for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. The action shall only be effective if there are writings which describe the action, signed by all directors, received by the Corporation and filed with the minutes. Any such writings may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Corporation with a complete copy of the document including a copy of the signature. Actions taken shall be effective when the last writing necessary to effect the action is received by the Corporation unless the

writings set forth a different date. Any director who has signed a writing may revoke it by a writing signed, dated and stating the prior vote is revoked. However, such writing must be received by the Corporation before the last writing necessary to effect the action is received. All such actions shall have the same effect as action taken at a meeting and may be stated as such in any document.

*Section 12. Compensation.* Members of the Board of Directors shall not receive any compensation for serving in such office. The Corporation may reimburse any member of the Board of Directors for reasonable expenses incurred in connection with service on the Board.

#### **ARTICLE IV – Officers**

*Section 1. Number; Qualification.* The officers of the Corporation shall be a President, one or more Vice-Presidents, a Secretary, and a Treasurer. No individual may hold more than one office. The Board of Directors may elect such other officers as it may deem advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board of Directors.

*Section 2. Powers and Duties.* The officers of the Corporation shall exercise and perform the respective powers, duties, and functions as are stated below and as may be assigned to them by the Board of Directors.

[a] The President shall be the Chairperson and a member of the Board of Directors of the Corporation and shall preside at all meetings of the Board. The President shall be the Chief Executive Officer of the Corporation and shall, subject to the general direction and control of the Board of Directors, have the general supervision, direction, and control over the business and affairs of the Corporation and its officers, agents, and employees. The President may sign, with the Secretary or any Assistant Secretary or any other proper officer of the Corporation designated by the Board of Directors, any deeds, leases, mortgages, deeds of trust, or other documents of conveyance or encumbrance of any real property owned by the Corporation. He shall also perform all duties incident to the office of President and such other duties as may be assigned by the Board of Directors from time to time.

[b] In the absence or disability of the President, the Vice-President (or, if more than one, the Vice-Presidents in the order designated by the Board of Directors) shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice-President or Vice-Presidents shall have such other powers and perform such other duties as may from time to time be assigned to such person by the President or by the Board of Directors.

[c] The Secretary shall keep accurate minutes of the proceedings of the Board of Directors and of any committees of the Board of Directors; shall ensure that all notices are duly given in accordance with the provisions of these Bylaws; shall be custodian of the records and of the seal of the Corporation and shall attest the affixing of the seal of the Corporation when authorized by the Board of Directors; and shall perform such additional duties as are incident to such office and as may be assigned to such person by the Board of Directors or the President.

Assistant Secretaries, if any, shall have the same duties and powers subject to the supervision of the Secretary.

[d] The Treasurer shall be the principal finance officer of the Corporation; shall have the charge and custody of and be responsible for all funds and securities of the Corporation; shall deposit such funds in the name of the Corporation in such depositories as shall be designated by the Board of Directors; shall keep accurate books of account and records of financial transactions and the condition of the Corporation and shall submit such reports thereof as the Board of Directors may from time to time require; and in general, perform all duties incident to such office and such other duties as may from time to time be assigned to such person by the President or by the Board of Directors. The Treasurer shall make an annual financial report to the Corporation at the annual meeting of the Board of Directors. With the approval of the Board of Directors, the Treasurer shall be authorized to engage any firm of certified public accountants to assist him in the performance of any of the duties incident to the Treasurer's office.

Assistant treasurers, if any, shall have the same duties and powers subject to the supervision of the Treasurer.

*Section 3. Selection and Terms of Offices.* All officers of the Corporation shall be elected by the Board of Directors at its annual meeting and shall hold office for one year and until their successors shall have been elected and shall have qualified.

*Section 4. Compensation.* Officers shall not receive compensation for serving in such office. The Corporation may reimburse any officer for reasonable expenses incurred by such individual in connection with services rendered to or for the Corporation.

*Section 5. Removal.* Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment such removal will serve the best interests of the Corporation.

*Section 6. Vacancies.* A vacancy in any office because of the death, resignation, removal, disqualification, or otherwise, of an officer elected or appointed by the Board of Directors may be filled by the Board of Directors for the unexpired portion of the term.

## **ARTICLE V – Contracts, Loan, and Deposits**

*Section 1. Contracts.* The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

*Section 2. Loans.* No loans shall be contracted for on behalf of the Corporation and no evidence of indebtedness shall be issued in the name of the Corporation unless authorized by a resolution of the Board of Directors. Such authority may be general if confined to a specific dollar limit determined from time to time by resolution of the Board of Directors and shall otherwise be confined to specific instances. No loan shall be made to any officer or director of the Corporation.

*Section 3. Checks, Drafts, and Notes.* All checks, drafts, or other orders for payment of money, notes, or other evidence 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.

*Section 4. Deposits.* All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation as soon as practicable in such banks, trust companies, or other custodians as the Board of Directors may select.

*Section 5. Investment Managers.* The Board of Directors shall have the authority, subject to approval by EEGS, in its capacity as the sole Member of the Corporation, to designate any bank, trust company, brokerage firm, investment advisor, or similar institution to manage the assets and investment of the assets of the Corporation.

*Section 6. Fiscal Year.* The fiscal year of the Corporation shall end on June 30 of each year.

## **ARTICLE VI – Property**

The property of the Corporation, unless otherwise directed by donors, shall be held and applied in promoting the general purposes of the Corporation declared in its Articles of Incorporation. No real estate belonging to the Corporation shall be conveyed or encumbered except by authority of a majority vote of the Board of Directors of the Corporation. Any such conveyance or encumbrance of real estate shall be executed by the President of the Corporation in the name of the Corporation, and such instrument shall be duly attested and sealed by the Secretary or any Assistant Secretary of the Corporation.

## **ARTICLE VII – Transactions Requiring Member Approval**

Notwithstanding anything in these Bylaws to the contrary, neither the Board of Directors, nor any committee of such Board, nor any officer, agent, or employee of the Corporation shall take any of the following actions without the prior approval of EEGS, in its capacity as the sole Member of the Corporation:

[a] Amendment or restatement of the Articles of Incorporation or Bylaws of the Corporation;

[b] Merger, consolidation, reorganization, or dissolution of the Corporation;

[c] Sale, lease, disposition, pledge, gift, or encumbrance of any interest in real or personal property belonging to the Corporation, except in accordance with the established policies for such matters approved from time to time in advance by EEGS, in its capacity as the sole Member of the Corporation;

[d] Aggregate borrowing of the Corporation for any period for any purpose in excess of a dollar amount to be established by EEGS, in its capacity as the sole Member of the Corporation, from time to time, the term “borrowing” for these purposes to include any commitment for the payment of money pursuant to any contract;

[e] The formulation of an initial, or any change in any subsequent, formal or informal statement of the purposes and objectives of the Corporation;

[f] The approval or adoption of the annual and any special operating and capital budgets of the Corporation;

[g] Any expenditure of a nature that was not anticipated or reflected in a budget approved in advance of such expenditure by EEGS, in its capacity as the sole Member of the Corporation, and any expenditure which either singly or when aggregated with all other similar amounts throughout the Corporation’s fiscal year exceeds five percent of the amount budgeted for such expenditure or class of expenditures pursuant to a budget approved in advance of such expenditure by EEGS;

[h] Any expenditure of the principal of or income from any fund or funds in any manner that is inconsistent with any restrictions imposed on such fund or funds by donors to the Corporation, by EEGS, in its capacity as the sole Member of the Corporation, or by the Board of Directors;

[i] Any arrangement or the termination of any such arrangement with any bank, trust company, brokerage firm, investment advisor, or similar institution to manage the assets and investment of the assets of the Corporation;

- [j] The appointment of an independent auditor for the Corporation;
- [k] The making of any grants to the member clubs of EEGS.

### **ARTICLE VIII – Accounting to the Member**

Within 120 days after the close of each calendar year, or on such more frequent basis as EEGS, in its capacity as the sole Member of the Corporation, may request, the Board of Directors shall cause to be delivered to EEGS statements revealing the financial condition and operations of the Corporation, its receipts and disbursements, and a list of its assets and liabilities, prepared in accordance with generally accepted accounting principles applied on a consistent basis from year to year. Upon the request of EEGS, in its capacity as the sole Member of the Corporation, such statements for the fiscal year then ended shall have been examined by an independent certified public accountant, and the report of such accountant shall be unqualified as to the scope of the examination.

### **ARTICLE IX – Indemnification**

*Section 1. Definitions.* For purposes of this Article:

[a] The terms “director or officer” shall include a person who, while serving as a director or officer 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, other enterprise, or employee benefit plan. A director or officer shall be considered to be serving an employee benefit plan at the request of the Corporation if his duties to the Corporation also impose duties on or otherwise involve services by him to the plan or to participants in or beneficiaries of the plan. The term “director or officer” shall also include the estate or personal representative of a director or officer, unless the context otherwise requires.

[b] The term “proceeding” shall mean any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, whether formal or informal, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

[c] The term “party” includes an individual who is, was, or is threatened to be made a named defendant or respondent in a proceeding.

[d] The term “liability” shall mean any obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expense incurred with respect to a proceeding.

[e] When used with respect to a director, the phrase “official capacity” shall mean the office of director in the Corporation, and, when used with respect to a person other than a director, shall mean the office in the Corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation, but in neither case shall include service for any foreign or domestic corporation or for any partnership, joint venture, trust, employee benefit plan, or other enterprise.

*Section 2. General Provisions.* The Corporation shall indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a director or officer of the Corporation, against expenses (including attorneys’ fees), liability, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding if such person [a] conducted himself in good faith, [b] reasonably believed, in the case of conduct in his official capacity with the Corporation, that his conduct was in the best interests of the Corporation, and, in all other cases, that his conduct was at least not opposed to the best interests of the Corporation, and [c] with respect to any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful. However, no person shall be entitled to indemnification under this Section 2 either [a] in connection with a proceeding brought by or in the right of the Corporation in which the director or officer was adjudged liable to the Corporation or [b] in connection with any other proceeding charging improper personal benefit to the director or officer, whether or not involving action in his official capacity, in which he is ultimately adjudged liable on the basis that he improperly received personal benefit. Indemnification under this Section 2 in connection with a proceeding brought by or in the right of the Corporation shall be limited to reasonable expenses incurred in connection with the proceeding. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith or otherwise failed to meet the standard of conduct set forth in this Section 2.

*Section 3. Successful Defense on the Merits; Expenses.* To the extent that a director or officer of the Corporation has been wholly successful on the merits in defense of any proceeding to which he was a party, such person shall be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by him in connection with such proceeding.

*Section 4. Determination of Right to Indemnification.* Any indemnification under Section 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in each specific case upon a determination that indemnification of the director or officer is permissible under the circumstances because such person met the applicable standard of conduct set forth in such Section 2. Such determination shall be made [a] by the Board of Directors by a majority vote of a quorum of disinterested directors who at the time of the vote are not, were not, and are not threatened to be made parties to the proceeding, or [b] if such a quorum cannot be

obtained, by the vote of a majority of the members of a committee of the Board of Directors designated by the board, which committee shall consist of two or more directors who are not parties to the proceeding (directors who are parties to the proceeding may participate in the designation of directors to serve on such committee), or [c] if such a quorum of the Board of Directors cannot be obtained or such a committee cannot be established, or even if such a quorum is obtained or such a committee is so designated, but such quorum or committee so directs, then by independent legal counsel selected by the Board of Directors in accordance with the preceding procedures. Authorization of indemnification and evaluation as to the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that, if the determination that indemnification is permissible is made by independent legal counsel, authorization of indemnification and evaluation of legal expenses shall be made by the body that selected such counsel.

*Section 5. Advance Payment of Expenses; Undertaking to Repay.* The Corporation shall pay for or reimburse the reasonable expenses (including attorneys' fees) incurred by a director or officer who is a party to proceeding in advance of the final disposition of the proceeding if [a] the director or officer furnishes the Corporation a written affirmation of his good faith belief that he conducted himself in good faith, [b] the director or officer furnishes the Corporation with a written undertaking, executed personally or on his behalf, to repay the advance if it is determined that he did not conduct himself in good faith, which undertaking shall be an unlimited general obligation of the director or officer but which need not be secured and which may be accepted without reference to financial ability to make repayment, and [c] a determination is made by the body authorizing indemnification that the facts then known to such body would not preclude indemnification.

*Section 6. Other Employees and Agents.* The Corporation shall indemnify such other employees and agents of the Corporation to the same extent and in the same manner as is provided above in Section 2 with respect to directors and officers, by adopting a resolution by a majority of the members of the Board of Directors specifically identifying by name or by position the employees or agents entitled to indemnification.

*Section 7. Reports to the Member.* In the event that the Corporation indemnifies, or advances the expenses of, a director or officer in accordance with this Article in connection with a proceeding by or on behalf of the Corporation, a report of that fact shall be made in writing to EEGS, in its capacity as the sole Member of the Corporation, with or before the delivery of the notice of the next meeting of the Member.

*Section 8. Insurance.* The Board of Directors may exercise the Corporation's power to purchase and maintain insurance (including without limitation insurance for legal expenses and costs incurred in connection with defending any claim, proceeding, or lawsuit) on behalf of any person who is or was a director or officer of the Corporation against any liability asserted against him or incurred by him in any such

capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

*Section 9. Nonexclusivity of Article.* The indemnification provided by this Article shall not be deemed exclusive of any other rights and procedures to which one indemnified may be entitled under the Articles of Incorporation, any bylaw, agreement, resolution of disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of such person's heirs, executors, and administrators.

#### **ARTICLE X – Amendments**

These Bylaws may be amended, altered, or repealed and new Bylaws may be adopted by the Board of Directors of the Corporation by a vote of two-thirds of the directors present at any meeting of the Board at which a quorum is present, subject to the approval of EEGS, in its capacity as the sole Member of the Corporation, and not otherwise, provided that notice of the proposed amendment, alteration, or repeal shall have been delivered to EEGS and each director of the Corporation with the notice of the meeting at which the proposed amendment, alteration, or repeal will be presented to the Board for action.

The above Bylaws were approved and adopted by the Board of Directors of the EEGS Foundation on the \_\_\_\_ day of \_\_\_\_\_, 2007.

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Secretary