

BYLAWS
OF
VIRGINIA BENEFIT PROGRAMS ORGANIZATION

ARTICLE I

Directors

1.1 General Powers. The property, affairs and business of VIRGINIA BENEFIT PROGRAMS ORGANIZATION (the "Corporation") shall be managed by the Board of Directors, and, except as otherwise expressly provided by law, the Articles of Incorporation or these Bylaws, all of the powers of the Corporation shall be vested in such Board.

1.2 Number of Directors. The Board of Directors shall be comprised of no less than five(5) and no more than nine (9) directors. The number of directors may be increased or decreased from time to time by amendment to these Bylaws. No decrease in number shall have the effect of shortening the term of any incumbent director.

1.3 Election and Removal of Directors; Quorum.

(a) Directors shall be elected by the ~~Board~~ **membership** biennially to succeed those directors whose terms have expired and to fill any vacancies then existing.

(b) A majority of the number of directors elected and serving at the time of any meeting shall constitute a quorum for the transaction of business. The act of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Less than a quorum of directors may adjourn any meeting.

1.4 Meeting of Directors. An **bi**-annual meeting of the Board of Directors shall be held each year at such time and place within or without the Commonwealth of Virginia as the Board may designate. Other meetings of the Board of Directors shall be held at places within or without the Commonwealth of Virginia and at times fixed by resolution of the Board, or upon call of the Chairman of the Board, the President or a majority of the directors. The Secretary or officer performing the Secretary's duties shall give not less than twenty-four (24) hours' notice by letter, telefacsimile or telephone of all meetings of the Board of Directors, provided that notice need not be given of the annual meeting or of regular meetings held at times and places fixed by resolution of the Board. Meetings may be held at any time without notice if all the directors are present, or if those not present

waive notice in writing either before or after the meeting. The notice of meetings of the Board shall state the purpose of the meeting. Members of the Board of Directors or any committee designated thereby may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

1.5 Actions by Directors or Committee Without Meeting. Any action which may be taken at a meeting of the directors or of a Committee may be taken without a meeting, if said consent in writing, setting forth the action, is signed either before or after such action by all the directors or all of the members of the Committee, as the case may be.

ARTICLE II

Committees

2.1 Committees. The Board of Directors, by resolution duly adopted, may establish such standing or special committees of the Board as it may deem advisable; and the members, terms and authority of such committees shall be as set forth in the resolutions establishing the same.

2.2 Meetings. Regular and special meetings of any Committee established pursuant to this Article may be called and held subject to the same requirements with respect to time, place and notice as are specified in these Bylaws for regular and special meetings of the Board of Directors.

2.3 Quorum and Manner of Acting. A majority of the members of any Committee serving at the time of any meeting thereof shall constitute a quorum for the transaction of business at such meeting. The action of a majority of those members present at a Committee meeting at which a quorum is present shall constitute the act of the Committee.

2.4 Term of Office. Members of any Committee shall be elected as above provided and shall hold office until their successors are elected by the Board of Directors or until such Committee is dissolved by the Board of Directors.

2.5 Resignation and Removal. Any member of a Committee may resign at any time by giving written notice of his intention to do so to the President or the Secretary of the Corporation, or may be removed, with or without cause, at any time by such vote of the Board of Directors as would suffice for his election.

2.6 Vacancies. Any vacancy occurring in a Committee resulting

from any cause whatever may be filled by the Board of Directors.

ARTICLE III

Officers

3.1 Election of Officers; Terms. The initial officers of the Corporation shall consist of a President, Vice President, Secretary, ~~an Assistant Secretary~~ and Treasurer. Other officers, including an Executive Director and one or more additional Vice Presidents (any one of more of who may be designated as Executive Vice Presidents or Senior Vice Presidents), and assistant and subordinate officers, may from time to time be elected by the Board of Directors, and they shall hold office for such terms as the Board of Directors may prescribe. All officers shall hold office until the next annual meeting of the Board of Directors and until their successors are elected. The President shall be chosen from among the directors. ~~Any two (2) or~~ Only one ~~more~~ offices may be held by the same person.

3.2 Removal of Officers; Resignation; Vacancies. Any officer of the Corporation may be removed summarily with or without cause, at any time, by the Board of Directors. Any officer may resign by delivering written notice to the Corporation. Unless such resignation specifies a later date, the resignation shall be effective upon delivery to the Corporation. Vacancies may be filled by the Board of Directors.

3.3 Duties. The officers of the Corporation shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are prescribed by law or are hereinafter provided or as from time to time shall be conferred by the Board of Directors. The Board of Directors may require any officer to give such bond for the faithful performance of his duties as the Board may see fit.

3.4 Duties of the Executive Director. The Executive Director, if any, shall be primarily responsible for the implementation of policies of the Board of Directors. He shall have general management and direction of the property and operations of the Corporation, subject only to the ultimate authority of the Board of Directors. Except as otherwise provided in these Bylaws or in the resolutions establishing such committees, he shall be ex officio a member of all Committees of the Board. The Executive Director may sign and execute in the name of the Corporation deeds, mortgages, bonds, notes, contracts or other instruments except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. In addition, he shall perform all duties incident to

the office of the Executive Director and such other duties as from time to time may be assigned to him by the Board of Directors. The Executive Director shall have authority to act on behalf of the Corporation in all matters, which shall include but shall not be limited to accepting gifts and opening bank accounts.

3.5 Duties of the President. The President shall be the chief executive officer of the Corporation. If there is no Executive Director, the President shall have the responsibilities set forth in Section 3.4 above. The President shall have power to call special meetings of the Board, shall serve as Chairman of the Board and shall preside at all meetings of the Board of Directors. The President may hire and discharge employees of the Corporation, may sign and execute in the name of the Corporation deeds, mortgages, bonds, notes, contracts or other instruments authorized by the Board except where the signing and execution of such documents shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation or shall be required by law or otherwise to be signed or executed by someone other than the President. The President shall perform such other duties as may be prescribed from time to time by the Board of Directors.

3.6 Duties of the Vice President. Each Vice President shall have such powers and duties as may from time to time be assigned to him by the President or the Board of Directors. Any Vice President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, except where the signing and execution of such documents shall be expressly delegated by the Board of Directors or the President to some other officer or agent of the Corporation or shall be required by law or otherwise to be signed or executed.

3.7 Duties of the Treasurer. The Treasurer, if any, shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit all monies and securities of the Corporation in such banks and depositories as shall be designated by the Board of Directors. He shall be responsible (i) for maintaining adequate financial accounts and records in accordance with generally accepted accounting practices; (ii) for the preparation of appropriate operating budgets and financial statements; (iii) for the preparation and filing of all tax returns required by law; and (iv) for the performance of all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors or the President. The Treasurer may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws

to some other officer or agent of the Corporation or shall be required by law or otherwise to be signed or executed.

3.8 Duties of the Secretary. The Secretary shall act as secretary of all meetings of the Board of Directors of the Corporation. If there is no Treasurer, the Secretary shall have the responsibilities set forth in Section 3.7 above. When requested, the Secretary shall also act as secretary of the meetings of the Committees of the Board. He shall keep and preserve the minutes of all such meetings in permanent books. He shall see that all notices required to be given by the Corporation are duly given and served; shall have custody of the seal of the Corporation and shall affix the seal or cause it to be affixed to all documents the execution of which on behalf of the Corporation under its corporate seal is duly authorized in accordance with law or the provisions of these Bylaws; shall have custody of all deeds, leases, contracts and other important corporate documents; shall have charge of the books, records and papers of the Corporation relating to its organization and management as a corporation; shall see that all reports, statements and other documents required by law (except tax returns) are properly filed; and shall in general perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

ARTICLE IV

Prohibition Against Sharing in Corporate Earnings

No part of the net earnings of the Corporation shall inure to the benefit of any Director, officer, or employee of the Corporation, or any other private person, provided, however that the Corporation may pay reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors, and may make payments and distributions in furtherance of the Corporation's purposes; no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. All Directors of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered, and paid over in accordance with the provisions of Article V of the Articles of Incorporation of the Corporation.

ARTICLE V

Indemnification of Officers, Directors and Others

5.1 General Indemnification. The Corporation shall indemnify each person who is serving or has served as a Director, officer, agent and employee of the Corporation and the respective heirs, executors, administrators and personal representatives of each of them against all expenses actually and reasonably incurred or imposed in connection with the defense of any threatened, pending or completed civil, criminal, administrative, arbitratve or investigative claim, action, suit or proceeding, by reason of being or having been such Director, officer, agent or employee, except in relation to such matters as to which such person shall be finally adjudged in such action, suit or proceeding, without right of further appeal, to be liable for gross negligence or willful misconduct in the performance of duty. For purpose hereof, the term "expenses" shall include, but not limited to, all expenses, costs, attorney's fees, judgments (including adjudications other than on the merits), fines, penalties, arbitration awards, cost of arbitration, and sums paid out and liabilities actually and reasonably incurred or imposed in connection with any suit, claim, action or proceeding, and any settlement or compromise thereof approved by the Board of Directors as being in the best interests of the Corporation. However, in the event of any judgment, fine, penalty or arbitration award against any such Director, officer, agent or employee (unless such person shall be finally adjudged or found, without right of further appeal, to be liable for gross negligence or willful misconduct in the performance of duty as a Director, officer, agent or employee, in which event there shall be no indemnification), or in the event of a settlement or compromise and, in any event, where there is no disinterested majority of the Board of Directors available, the indemnification shall be made: (1) only if the Corporation shall be advised in writing by counsel that in the opinion of counsel (a) such Director, officer, agent or employee was not adjudged or found liable for gross negligence or willful misconduct in the performance of duty as such Director, officer, agent or employee or the indemnification provided is only in connection with such matters as to which the person to be indemnified was not so liable and, in the case of settlement or compromise, the same is in the best interests of the Corporation; and (b) indemnification under the circumstances is lawful and that such action falls within the provisions of these Bylaws; and (2) only in such amount as counsel shall opine in writing to the Corporation is proper. In making or refusing to make any payment under this or any other provision of these Bylaws, the Corporation, its Directors, officers, employees and agents shall be fully protected if they rely on the written opinion of counsel selected by, or in the manner designated by, the Board of Directors.

5.2 Expenses. Expenses incurred in defending a threatened or pending civil, criminal, administrative, arbitratve or investigative action, suit or proceeding may be paid by the

Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in these Bylaws.

5.3 Permissible Indemnification. The Corporation may indemnify any person even though they are not or were not a director, officer, agent or employee of the Corporation, if such person served at the request of the Corporation on a committee created by the Board of Directors to consider and report to it in respect of any matter. Any such indemnification may be made under the provisions hereof and shall be subject to the limitations hereof.

5.4 Actions to Which Indemnification Applies. These provisions shall be applicable to actions, suits or proceedings (including appeals) commenced or threatened to be commenced after the date of adoption of these Bylaws whether or not the action, suit or proceeding arose from acts or omissions to act which occurred before or after such date.

5.5 Indemnification in Addition to Other Indemnification. The above provisions for indemnification shall be in addition to any other rights to which those indemnified may be entitled under any agreement, vote of disinterested Directors, or otherwise, or under any law or statute, both as to action in their 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, officer, agent or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

5.6 Purchase of Insurance Permitted. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, agent or employee of the Corporation or is or was serving at the request of the Corporation as a Director, officer, agent or employee of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against and incurred by such person in any such capacity or arising out of their status as such, whether or not the Corporation would have the power to indemnify against such liability under the provisions of these Bylaws.

ARTICLE VI

Miscellaneous Provisions

6.1 Seal. The seal of the Corporation shall consist of a flat-faced circular die, of which there may be any number of counterparts, on which there shall be engraved the word "Seal" and the name of the Corporation.

6.2 Fiscal Year. The fiscal year of the Corporation shall end on June 30 of each calendar year.

6.3 Checks, Notes and Drafts. Checks, notes, drafts and other orders for the payment of money shall be signed by such persons as the Board of Directors from time to time may authorize. When the Board of Directors so authorizes, however, the signature of any such person may be a facsimile.

6.4 Amendment of Bylaws. Unless proscribed by the Articles of Incorporation, these Bylaws may be amended or altered at any meeting of the Board of Directors by affirmative vote of a majority of the Board of Directors.

6.5 Notices. Whichever notice is required to be given to any director, officer, or agent, such requirement shall not be construed to mean personal notice. Such notice may in every instance be effectively given by depositing a writing in a post office or letter box, in a prepaid, sealed wrapper, or by dispatching a prepaid telegram, addressed to such director, officer, or agent at his or her address as the same appears on the books of the corporation. The time when such notice is dispatched shall be the time of the giving of the notice.

A written waiver of any notice, signed by a director, officer, or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such director, officer, or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.