

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

**Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) June 14, 2006

RELM Wireless Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

000-07336

(Commission File Number)

59-34862971

(IRS Employer Identification No.)

7100 Technology Drive, West Melbourne, FL

(Address of principal executive offices)

32904

(Zip Code)

Registrant's telephone number, including area code (321) 984-1414

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On June 14, 2006, RELM Wireless Corporation (the “Registrant”), RELM Communications, Inc., the Registrant’s wholly-owned subsidiary, and Silicon Valley Bank, as lender, entered into the Fifth Loan Modification Agreement (the “Modification”) to the Loan and Security Agreement dated August 29, 2003 by and among them, pursuant to which the Registrant maintains a secured revolving credit facility with borrowing availability of up to \$3,500,000. The Modification, among other things, extends the maturity date of the secured revolving credit facility to January 1, 2008 from January 1, 2007 and reduces the interest rate for borrowings thereunder initially by 0.50% and an additional 0.15% if the Registrant’s Net Profit (as defined in accordance with United States generally accepted accounting principles) for each fiscal quarter after the quarter ending June 30, 2006 is at least \$1,700,000. Prior to the Modification, the secured credit facility’s interest rate was prime plus 1% (with a minimum rate of 6.25%). As of June 14, 2006, there were no borrowings outstanding under the secured revolving credit facility.

The foregoing summary of the Modification is qualified in its entirety by reference to the Modification attached hereto as Exhibit 10.1 and incorporated herein by this reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Fifth Loan Modification Agreement dated as of June 14, 2006 by and among RELM Wireless Corporation, RELM Communications, Inc. and Silicon Valley Bank

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RELM WIRELESS CORPORATION

(Registrant)

By: _____

William P. Kelly

Executive Vice President and

Chief Financial Officer

Date: June 16, 2006

Exhibit Index

Exhibit Number	Description
10.1	Fifth Loan Modification Agreement dated as of June 14, 2006 by and among RELM Wireless Corporation, RELM Communications, Inc. and Silicon Valley Bank

FIFTH LOAN MODIFICATION AGREEMENT

THIS FIFTH LOAN MODIFICATION AGREEMENT (this "Agreement") is entered into as of June 14, 2006 by and among RELM WIRELESS CORPORATION, a Nevada corporation ("Relm Wireless") whose address is 7100 Technology Drive, West Melbourne, Florida 32904, RELM COMMUNICATIONS, INC., a Florida corporation ("Relm Communications" and, together with Relm Wireless, the "Borrowers") whose address is 7100 Technology Drive, West Melbourne, Florida 32904, and SILICON VALLEY BANK ("Lender") ("Silicon") whose address is 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office at 3353 Peachtree St. N.E., Suite M-10, Atlanta, Georgia 30326.

1. DESCRIPTION OF EXISTING INDEBTEDNESS: Among other indebtedness which may be owing by Borrowers to Lender, Borrowers are indebted to Lender pursuant to, among other documents, a Loan and Security Agreement, dated August 29, 2003 (as may be amended from time to time, the "Loan Agreement"). The Loan Agreement and the schedule attached thereto (the "Schedule") provide for, among other things, a Loan in the maximum principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "Revolving Facility"). Hereinafter, all indebtedness owing by Borrowers to Lender shall be referred to as the "Indebtedness."

2. DESCRIPTION OF COLLATERAL. Repayment of the Indebtedness is secured by the Collateral as described in the Loan Agreement. Hereinafter, the above-described security documents and guaranties, together with all other documents securing repayment of the Indebtedness shall be referred to as the "Security Documents". Hereinafter, the Security Documents, together with all other documents evidencing or securing the Indebtedness shall be referred to as the "Existing Loan Documents".

3. MODIFICATION(S) TO REVOLVING FACILITY.

a. Section 6.2 of the Loan Agreement is amended and restated in its entirety as follows:

6.2 Early Termination. This Agreement may be terminated prior to the date which is one year from the date hereof as follows: (i) by Borrower, effective three (3) Business Days after written notice of termination is given to Silicon; or (ii) by Silicon at any time after the occurrence and during the continuance of an Event of Default, without notice, effective immediately.

b. The Schedule to the Loan Agreement is hereby amended and restated in its entirety as set forth on Exhibit A attached hereto.

c. The form of Compliance Certificate to the Loan Agreement is hereby amended and restated in its entirety as set forth on Exhibit B attached hereto.

4. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

5. NO DEFENSES OF BORROWER. Borrower agrees that it has no defenses against the obligations to pay any amounts under the Indebtedness.

6. PAYMENT OF MODIFICATION FEE. In consideration of Bank's agreement to modify the Loan Agreement as contemplated herein, Borrower shall pay to Bank a non refundable fee in the amount of Twenty Six Thousand Two Hundred Fifty Dollars (\$26,250) (the "Modification Fee"), plus all out-of-pocket expenses, including without limitation, the Bank's legal fees.

7. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Indebtedness, Lender is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Lender's agreement to modifications to the existing Indebtedness pursuant to this Agreement in no way shall obligate Lender to make any future modifications to the Indebtedness. Nothing in this Agreement shall constitute a satisfaction of the Indebtedness. It is the intention of Lender and Borrower to retain as liable parties all makers and endorsers of Existing Loan Documents, unless the party is expressly released by Lender in writing. No maker, endorser, or guarantor will be released by virtue of this Agreement. The terms of this paragraph apply not only to this Agreement, but also to all subsequent loan modification agreements.

8. CONDITIONS. The effectiveness of this Agreement is conditioned upon the following:

- a. Borrower's payment of the Modification Fee;
- b. Execution and delivery of this Agreement by the Borrower and the Bank;
- c. The Bank's receipt of (a) updated UCC and IP lien searches against the Borrower and its subsidiaries, (b) good standing certificates for the Borrower and its Subsidiaries, and (c) insurance certificates reflecting that the insurance policies covering the Borrower and its Subsidiaries remain in full force and effect;
- d. The Bank's receipt of updated evidence of insurance policies, in form and substance satisfactory to the Bank,; and
- e. Execution and delivery of such other agreements, documents and instruments and the Bank may require.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

This Agreement is executed as of the date first written above.

BORROWER:

LENDER:

**RELM WIRELESS CORPORATION
BANK**

SILICON VALLEY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

RELM COMMUNICATIONS, INC.

By: _____

Name: _____

Title: _____

Silicon Valley Bank

Amended and Restated Schedule to Loan and Security Agreement

Borrower: Relm Wireless Corporation
Relm Communications, Inc.
Address: 7100 Technology Drive
West Melbourne, Florida 32904

Date: June 14, 2006

This Schedule forms an integral part of the Loan and Security Agreement between Silicon Valley Bank and the above-borrower, dated as of August 29, 2003.

1. CREDIT LIMIT

(Section 1.1):

An amount not to exceed the lesser of: (i) \$3,500,000 at any one time outstanding (the "Maximum Credit Limit"); or (ii) the sum of 85% (the "Advance Rate") of the amount of Borrower's Eligible Accounts (as defined in Section 8 above), plus 20% of Eligible Inventory, plus 100% of Net Cash; provided, however, that at no time may the amount drawn hereunder against Eligible Inventory exceed the lesser of \$500,000 or 20% of the total amount of Loans outstanding hereunder. For purposes of the foregoing, "Net Cash" is defined as the total amount of cash that the Borrower has on deposit at Silicon at any time less the aggregate amount of all Loans at such time.

Silicon may, from time to time, modify the Advance Rate, in its good faith business judgment, upon notice to the Borrower, based on changes in collection experience with respect to Accounts or other issues or factors relating to the Accounts or Eligible Inventory.

Letter of Credit Sublimit

(Section 1.6): \$250,000

Cash Management Sublimit

(Section 1.7): \$500,000

2. INTEREST.

Interest Rate (Section 1.2):

A rate per annum equal to:

(a) the "Prime Rate" in effect from time to time; plus

(b) (x) initially, 0.50%, and (y) from and after Borrower's

delivery of its quarterly financial statements for the first quarter ending after the date hereof, either (i) 0.50%, if Borrower's Net Profit (as defined in Section 5 of this Schedule) for the most recently ended quarter is less than greater than \$1,700,000, or (ii) 0.35% if Borrower's Net Profit for the most recently ended quarter is equal to or greater than \$1,700,000. If Borrower fails to deliver financial statements for any quarter, Net Profit will be deemed to be less than \$1,700,000 for such quarter.

Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed. "Prime Rate" means the rate announced from time to time by Silicon as its "prime rate". The Prime Rate is a base rate upon which other rates charged by Silicon are based, and it is not necessarily the best rate available at Silicon. The interest rate applicable to the Obligations shall change on each date that there is a change in the Prime Rate.

3. FEES (Section 1.4):

Loan Fee:	\$26,250, payable concurrently herewith.
Unused Portion Fee:	The Borrower shall pay to Silicon a fee (collectively, the "Unused Line Fees" and individually, a "Unused Line Fee") in an amount equal to three-tenths of one percent (0.30%) per annum of the average daily unused and undisbursed portion of the Maximum Credit Limit accruing during each month. The accrued and unpaid portion of the Unused Line Fee shall be paid by the Borrower to Silicon, in arrears, on the last day of each month, commencing on the first such date following the date hereof, and on the Maturity Date. The Unused Line Fee will be waived during any month in which average outstanding balances under the Loans exceeds One Million Five Hundred Thousand Dollars (\$1,500,000).

4. MATURITY DATE

(Section 6.1): January 1, 2008.

5. FINANCIAL COVENANTS

(Section 5.1): Borrower shall comply with each of the following covenants. Compliance shall be determined as of the end of each month, except as otherwise specifically provided below:

Net Profit: Borrower shall maintain, a cumulative Net Profit, for the period of:

(i) January 1, 2006 through March 31, 2006 of at least \$250,000;

(ii) January 1, 2006 through June 30, 2006 of at least \$500,000;

(ii) January 1, 2006 through September 30, 2006 of at least \$1,000,000; and

(ii) January 1, 2006 through December 31, 2006 of at least \$2,500,000.

Borrower shall also maintain a cumulative Net Profit as of the end of each of the quarters of its Fiscal Year 2007 at levels determined by Silicon based on its good faith discretion based upon Borrower's projections for 2007.

Adjusted Quick Ratio: Borrower shall maintain as of the end of each quarter an Adjusted Quick Ratio of at least 2:00 to 1.00.

Definitions.

For purposes of the foregoing financial covenants, the following term shall have the following meaning:

“Net Profit” means, for any period, net profit, as defined in GAAP.

“Adjusted Quick Ratio” means, as of any date, the ratio of (x) Quick Assets to (y) Current Liabilities less Deferred Revenues; where

“Quick Assets” are, on such date, the Borrower's consolidated, unrestricted cash, cash equivalents, and net billed accounts receivable, all determined according to GAAP;

“Current Liabilities” are the aggregate amount of Borrower's Total Liabilities which mature within one (1) year; and

“Total Liabilities” are, on any day, obligations that should, under GAAP, be classified liabilities on Borrower's consolidated balance sheet, including all debt and current portion of subordinated debt allowed to be paid, but excluding all other subordinate debt.

“Deferred Revenue” is all amounts received in advance of performance under maintenance, licensing and service contracts and not yet recognized as revenue.

6. REPORTING.

(Section 5.3):

Borrower shall provide Silicon with the following:

1. Quarterly accounts receivable agings, aged by invoice date, and borrowing base certificate, within fifteen (15) days after the filing of the Borrower's 10-Q.
2. Quarterly accounts payable agings, aged by invoice date, within fifteen (15) days after the filing of the Borrower's 10-Q.
3. Quarterly Compliance Certificates, within fifteen (15) days after the filing of the Borrower's 10-Q, in such form as Silicon shall reasonably specify, signed by the Chief Financial Officer of Borrower, certifying that as of the end of such quarter Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Silicon shall reasonably request.
4. Quarterly unaudited financial statements, as soon as available, and in any event within fifteen (15) days after the filing of the Borrower's 10-Q.
5. Annual operating budgets and forecasts (including revenue forecasts by month, income statements by quarter, balance sheets by quarter, and cash flow statements by quarter) for the upcoming fiscal year of Borrower within ninety (90) of each fiscal year of Borrower.
6. Annual financial statements, as soon as available, and in any event within fifteen (15) days after the filing of the Borrower's 10-K, certified by, and with an unqualified opinion of, independent certified public accountants acceptable to Silicon.

7. BORROWER INFORMATION:

Borrower represents and warrants that the information set forth in the Representations and Warranties of the Borrower dated August 6, 2003 previously submitted to Silicon (the "Representations") is true and correct as of the date hereof.

8. ADDITIONAL PROVISIONS

1. **Banking Relationship.** Borrower shall at all times maintain its primary banking relationship with Silicon. Without limiting the generality of the foregoing, Borrower shall, at all times, maintain all of its cash and

investments on deposit with Silicon.

- 2. Subordination of Inside Debt.** All present and future indebtedness of Borrower to its officers, directors and shareholders (“Inside Debt”) shall, at all times, be subordinated to the Obligations pursuant to a subordination agreement on Silicon’s standard form. Borrower represents and warrants that there is no Inside Debt presently outstanding, except for the following: NONE. Prior to incurring any Inside Debt in the future, Borrower shall cause the person to whom such Inside Debt will be owed to execute and deliver to Silicon a subordination agreement on Silicon’s standard form.
- 3. Intellectual Property Security Agreement.** As a condition precedent to the effectiveness of this Agreement, the Borrower shall have executed and delivered an Intellectual Property Security Agreement (the “IP Security Agreement”), substantially in the form attached hereto as Exhibit B.
- 4. Eligible Accounts.** Notwithstanding the requirements of clause (viii) of the definition of “Eligible Accounts” contained in the Loan Agreement, the Borrower may include Accounts in an aggregate face amount up to \$2,000,000 owing from the United States or any department, agency or instrumentality thereof, notwithstanding that such Accounts have not been assigned to Silicon in accordance with the United States Assignment of Claims Act, so long as such Accounts otherwise constitute Eligible Accounts.
- 5. Collateral Audits.** If borrowings exist under the revolving credit facility at any time during any calendar year, Silicon shall be entitled to be reimbursed for its expenses relating to collateral audits for only one collateral audit per year; provided, that if an Event of Default occurs, Silicon shall be entitled to be reimbursed for expenses relating to such additional collateral audits as Silicon may require. Borrower shall not be entitled to reimbursement for any collateral audit so long as Borrower is not borrowing under the revolving credit facility.

Borrower:

RELM WIRELESS CORPORATION

By: _____

Name:

Title:

RELM COMMUNICATIONS, INC.

By: _____

Name:

Title:

Silicon:

SILICON VALLEY BANK

By: _____

Name:

Title:

COMPLIANCE CERTIFICATE

To: Silicon Valley Bank
 3343 Peachtree Road, NE
 Suite 312
 Atlanta, Georgia 30326

From: Relm Wireless Corporation
 Relm Communications, Inc.

The undersigned authorized officer of Relm Wireless Corporation and Relm Communications, Inc. (collectively, the "Borrower"), hereby certifies that in accordance with the terms and conditions of the Loan and Security Agreement, as modified from time to time, the Borrower is in complete compliance for the period ending _____ of all required conditions and terms except as noted below. Attached herewith are the required documents supporting the above certification. The Officer further certifies that these are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistent from one period to the next except as explained in an accompanying letter or footnotes.

Please indicate compliance status by circling Yes/No under "Complies" column.

<u>REPORTING COVENANT</u>	<u>REQUIRED</u>	<u>COMPLIES</u>
Quarterly Financials	Quarterly w/in 15 days Of 10-Q filing	YES/NO
Quarterly Financials	Quarterly w/in 15 days Of 10-K filing	YES/NO
Receivable agings	Quarterly w/in 15 days Of 10-Q filing	YES/NO
A/P agings,	Quarterly w/in 15 days Of 10-Q filing	YES/NO
Borrowing Base Certificate	Quarterly w/in 15 days Of 10-Q filing	YES/NO
Audited Annual Financials	Annually w/in 15 days of 10-K filing	YES/NO
Annual Operating Budget	w/in 90 of FYE	YES/NO
<u>FINANCIAL COVENANT</u>	<u>REQUIRED</u>	<u>ACTUAL</u>
Cumulative Net Profitability (Tested quarterly)	\$ _____	\$ _____
		Complies? YES/NO
Adjusted Quick Ratio	2.00 to 1.00	_____ to 1.00
		Complies? YES/NO

Terms are defined in the Schedule to the Loan Agreement, Section 5.1.

Comments regarding financial covenants:

Relm Wireless Corporation
Relm Communications, Inc.

By: _____

Name: _____

Title: _____

Received:

By: _____

Name: _____

Title: _____

**CERTIFICATE AS TO
FIFTH LOAN MODIFICATION AGREEMENT**

The undersigned, being the EVP & CFO of RELM WIRELESS CORPORATION, a Nevada corporation (the "Borrower"), hereby gives this certificate pursuant to the terms of that certain Fifth Loan Modification Agreement, dated of even date herewith (the "Modification Agreement"), among the Borrower, RELM COMMUNICATIONS, INC. ("Co-Borrower"), and SILICON VALLEY BANK ("Lender"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan and Security Agreement, dated as of August 29, 2003, among the Borrower, Co-Borrower and the Lender, as amended (the "Loan Agreement").

The undersigned hereby certify to the Lender that:

1.0 0 He is the EVP & CFO of the Borrower, and is authorized and empowered to issue this certificate in such capacities, for and on behalf of the Borrower;

2.0 0 (a 0) Since August 29, 2003, the Borrower has not filed any amendment to its Articles of Incorporation with the Secretary of State of Nevada, nor have the shareholders or the Board of Directors of the Borrower approved, or taken any other vote with respect to, any amendment to such Articles of Incorporation of the Borrower;

(b 0) Attached hereto as exhibit A is a true and complete copy of the By-Laws of the Borrower, which are in full force and effect as of the date hereof;

(c 0) The resolutions of the Board of Directors of the Borrower, which were duly adopted in connection with the closing of the Loan Agreement, true and correct copies of which were certified and delivered to the Lender in connection with the closing of the Loan Agreement, have not been amended, rescinded, modified or revoked, and are in full force and effect.

(d 0) The individuals identified on the certified resolutions delivered to the Lenders in connection with the closing of the Loan Agreement as being authorized to act on behalf of the Borrower in connection with matters pertaining to the Loan Agreement are officers of the Borrower and such officers are authorized and empowered to execute the Modification Agreement, along with the other agreements, documents and instruments to be executed and delivered in connection therewith.

3. All of the representations and warranties contained in the Representations delivered to the Lender on or about August 29, 2003, the terms of which are incorporated herein by reference, are true and correct in all material respects on and as of the date hereof;

4.0 0 Borrower is, on the date hereof, in compliance with all the terms and provisions set forth in the Loan Agreement on its part to be observed and performed, which terms and provisions are incorporated herein by reference;

5.0 0 On the date hereof, and after giving effect to the transactions contemplated under the Loan Agreement, no Default or Event of Default has occurred or is continuing.

IN WITNESS WHEREOF, the undersigned have set their hands and seals as of the 14th day of June, 2006.

Title: [SEAL]

RELM WIRELESS CORPORATION

BY-LAWS

(AS AMENDED ON SEPTEMBER 19, 2005)

ARTICLE I

SHAREHOLDERS

1.1 Meetings.

1.1.1 Place. Meetings of the shareholders shall be held at such place as may be designated by the board of directors.

1.1.2 Annual Meeting. Unless otherwise fixed by the board of directors, an annual meeting of the shareholders for the election of directors and for other business shall be held at 10:00 a.m. local time on the 4th Thursday of April in each year or, if that day is a legal holiday, on the next following business day.

1.1.3 Special Meetings. Special meetings of the shareholders may be called at any time by the president, the board of directors or the holders of at least one-fifth of the outstanding shares of stock of the corporation entitled to vote at the meeting.

1.1.4 Notice. Written notice of the time and place of all meetings of shareholders and of the general nature of the business to be transacted at each special meeting of shareholders shall be given to each shareholder entitled to vote at the meeting at least ten (10) days before the date of the meeting unless a greater period of notice is required by law in a particular case.

1.1.5 Quorum. The presence in person or by proxy of the holders of a majority of the outstanding shares of stock of the corporation entitled to vote on a particular matter shall constitute a quorum for the purpose of considering such matter. If a quorum is not present no business shall be transacted except to adjourn to a future time.

1.1.6 Adjourned Meetings. Those shareholders entitled to vote who attend a meeting called for the election of directors that has been previously adjourned for lack of a quorum, although less than a quorum as fixed in these bylaws, shall nevertheless constitute a quorum for the purposes of electing directors. Those shareholders entitled to vote who attend a meeting of shareholders that has been previously adjourned for one or more periods aggregating at least fifteen (15) days because of an absence of a quorum, although then less than a quorum as fixed in these by-laws, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the notice of the meeting if the notice states that those shareholders who attend the adjourned meeting shall nevertheless constitute a quorum for purpose of acting upon the matter.

1.1.7 Participation. One or more shareholders may participate in a shareholders' meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

1.1.8 Voting Rights. Except as otherwise provided herein, the articles of incorporation or by-laws, every shareholder shall have the right at every shareholders' meeting to one vote for every share standing in his name on the books of the corporation which is entitled to vote at such meeting. Every shareholder may vote either in person or by proxy.

ARTICLE II

DIRECTORS

2.1 Number and Term. Subject to the provisions of applicable law, the board of directors shall have authority to (a) determine the number of directors to constitute the board, and (b) fix the terms of office of the directors and classify the directors with respect to the time for which they shall severally hold office. Except as otherwise fixed by the board of directors under the authority given above, the number of directors shall be five (5) and each director elected to the board shall hold office until the next annual meeting of the shareholders unless he sooner resigns or is removed or disqualified.

2.2 Powers. All corporate powers shall be exercised by or under authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

2.3 Meetings.

2.3.1 Place. Meetings of the board of directors shall be held at such place as may be designated by the board or in the notice of the meeting.

2.3.2 Regular Meetings. Regular meetings of the board of directors shall be held at such times as the board may designate. Notice of regular meetings need not be given.

2.3.3 Special Meetings. Special meetings of the board of directors may be called at any time by the president and shall be called by him on the written request of one-third of the directors. Notice (which need not be written) of the time and place of each special meeting shall be given to each director at least two days before the meeting.

2.3.4 Quorum. A majority of all the directors in office shall constitute a quorum for the transaction of business at any meeting and except as otherwise provided herein the acts of a majority of the directors present at any meeting at which a quorum is present shall be the acts of the board of directors.

2.3.5 Participation. One or more directors may participate in a meeting of the board or a committee of the board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

2.4 Vacancies. Vacancies in the board of directors shall be filled by vote of a majority of the remaining members of the board.

2.5 Committees. The board of directors may by resolution adopted by a majority of the whole board designate one or more committees, each committee to consist of two or more directors and such alternate members (also directors) as may be designated by the board. To the extent provided in such resolution, any such committee shall have and exercise the powers of the

board of directors. Unless otherwise determined by the board, in the absence or disqualification of any member of a committee the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member.

2.6 Limitation on Directors' Liability. Except as otherwise provided by law, a director shall not be personally liable for monetary damages as such for any action taken, or failure to take any action, unless:

2.6.1 The director has breached or failed to perform the duties of his office as provided in the Nevada General Corporation Law (the "NGCL"); and

2.6.2 The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

ARTICLE III

OFFICERS

3.1 Election. The board of directors shall elect a president, treasurer, secretary and such other officers as it deems advisable. Any number of offices may be held by the same person.

3.2 Authority, Duties and Compensation. The officers shall have such authority and perform such duties and serve for such compensation as may be determined by or under the direction of the board of directors. Except as otherwise provided by the board (a) the president shall be the chief executive officer of the corporation, shall have general supervision over the business and operations of the corporation, may perform any act and execute any instrument for the conduct of such business and operations and shall preside at all meetings of the board and shareholders, (b) the other officers shall have the duties usually related to their offices, and (c) the vice president (or vice presidents in the order determined by the board) shall in the absence of the president have the authority and perform the duties of the president.

ARTICLE IV

INDEMNIFICATION

4.1 Right to Indemnification.

4.1.1 Third Party Claims. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise (including employee benefit plans), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action or proceeding if he acted in good faith and in a manner he reasonably

believed to be in, or not opposed to, the best interest of the corporation and, with respect to any criminal proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement or conviction upon a plea nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he reasonably believed to be in, or not opposed to, the best interest of the corporation and, with respect to any criminal proceeding, had reasonable cause to believe that his conduct was unlawful.

4.1.2 Derivative Actions. The corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of the corporation to procure judgment in its favor by reason of the fact that he is or was a representative of the corporation or is or was serving at the request of the corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of the action if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the corporation; provided that no indemnification shall be made under this section in respect of any claim, issue or matter as to which the person has been adjudged to be liable to the corporation unless and only to extent that a court of competent jurisdiction determines that, despite the adjudication of liability but in view of the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses that such court deems proper.

4.2 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification made under Sections 4.1.1 or 4.1.2 shall be made by the corporation only as authorized in this specific case upon a determination that indemnification of the representative is proper in the circumstances because he has met the applicable standard of conduct set forth in those sections. Such determination shall be made:

4.2.1 By the Board of Directors by a majority vote of a quorum consisting of directors who are not parties to the action or proceeding;

4.2.2 If such a quorum is not obtainable or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion;

4.2.3 By the shareholders; or

4.2.4 In such other manner, if any, as shall be permitted by NGCL.

4.3 Advancement of Expenses. Expenses (including attorneys' fees) incurred in defending any action or proceeding referred to in this Article may be made by the corporation in advance of the final disposition of the action or proceeding upon receipt of an undertaking by or on behalf of the representative to repay the amount if it is ultimately determined that he is not entitled to be indemnified by the corporation as authorized in this Article or otherwise.

ARTICLE V

SHARES

5.1 Share Certificates. Every shareholder of record shall be entitled to a share certificate representing the shares held by him. Every share certificate shall bear the corporate seal (which may be a facsimile) and the signature of the president or a vice president and the secretary or an assistant secretary.

5.2 Transfers. Transfers of share certificates and the shares represented thereby shall be made on the books of the corporation only by the registered holder or by duly authorized attorney. Transfer shall be made only on surrender of the share certificate or certificates.

ARTICLE VI

AMENDMENTS

Except as otherwise provided by applicable law, these By-Laws may be amended at any regular or special meeting of the board of directors by the vote of a majority of all the directors in office or at any annual or special meeting of shareholders by the vote of the holders of a majority of the outstanding stock entitled to vote. Notice of any such meeting of shareholders shall set forth the proposed change or a summary thereof.