

P40558

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**SUNSHINE** CORPORATE FILING OF FLORIDA INC.

3458 Lakeshore Drive  
Tallahassee, Florida 32312  
(850) 656-4724

SUNSHINECORPORATE2014@GMAIL.COM

Date: 7/19/16

ENTITY NAME:

CASTLEPOINT FLORIDA INSURANCE COMPANY

**\*\*PLEASE FILE THE ATTACHED AND RETURN:\*\***

☒ Plain Copy  
☐ Certified Copy

**\*\*PLEASE OBTAIN THE FOLLOWING FOR THE ABOVE ENTITY:\*\***

Document Number: \_\_\_\_\_

☐ Certified Copy of Arts & Amendments  
☐ Certificate of Good Standing

**\*\*APOSTILLE/NOTARIAL CERTIFICATION:\*\***

COUNTRY OF DESTINATION \_\_\_\_\_

NUMBER OF CERTIFICATES REQUESTED \_\_\_\_\_

TOTAL AMOUNT OWED: 70.00

CHECK NUMBER: 2690

PLEASE CONTACT TINA AT 850-508-1891 FOR ANY PROBLEMS OR INFORMATION ON THIS MATTER.

Thank you!

Tina Goff, President



FLORIDA DEPARTMENT OF STATE  
Division of Corporations

July 20, 2016

SUNSHINE CORPORATE FILING OF FLORIDA INC  
ATTN: TINA GOFF

SUBJECT: CASTLEPOINT NATIONAL INSURANCE COMPANY  
Ref. Number: P40558

We have received your document for CASTLEPOINT NATIONAL INSURANCE COMPANY and your check(s) totaling \$195.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

You must show proof that the Illinois corporation changed to a California corporation in order for us to file the merger.

A certificate or a document of similar import evidencing the amendment must be submitted with the application. The certificate should be authenticated as of a date not more than 90 days prior to delivery of the application to the Department of State by the Secretary of State or other official having custody of the records in the jurisdiction under the laws of which it is incorporated, formed, or organized. A translation of the certificate, under oath or affirmation of the translator, must be attached to a certificate which is not in English.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6050.

Carolyn Lewis  
Regulatory Specialist II

Letter Number: 916A00015114

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## Articles of Merger

### MERGING

CASTLEPOINT FLORIDA INSURANCE COMPANY  
(AN INSURANCE COMPANY ORGANIZED UNDER THE LAWS OF FLORIDA)

### WITH AND INTO

CASTLEPOINT NATIONAL INSURANCE COMPANY  
(AN INSURANCE COMPANY ORGANIZED UNDER THE LAWS OF CALIFORNIA)

PD9000000948

P40558

The following Articles of Merger are submitted in accordance with the Florida Business Corporation Act, pursuant to Section 607.1105:

First, The surviving corporation is CastlePoint National Insurance Company, an insurance company organized under the laws of California (the "Surviving Company").

Second, The merging corporation is CastlePoint Florida Insurance Company, an insurance company organized under the laws of Florida (the "Merging Company").

Third, The Plan of Merger is attached as Exhibit A hereto.

Fourth, The merger shall become effective on the date these Articles of Merger are filed with the Florida Department of State.

Fifth, The Plan and Agreement of Merger was adopted by the sole shareholder of the Surviving Company on July 8, 2016.

Sixth, The Plan and Agreement of Merger was adopted by the sole shareholder of the Merging Company on July 8, 2016.

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IN WITNESS WHEREOF, each of the undersigned officers has executed these Articles  
of Merger this 19th day of July, 2016.

CASTLEPOINT FLORIDA INSURANCE  
COMPANY

By: 

Name: William Hitselberger  
Title: President & Treasurer

By: 

Name: Meghan Zeigler  
Title: Assistant Secretary

CASTLEPOINT NATIONAL INSURANCE  
COMPANY

By: 

Name: William Hitselberger  
Title: President & Treasurer

By: 

Name: Meghan Zeigler  
Title: Assistant Secretary

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**Exhibit A**

Plan and Agreement of Merger

EXECUTION VERSION

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PLAN AND AGREEMENT OF MERGER

by and between

CASTLEPOINT FLORIDA INSURANCE COMPANY

and

CASTLEPOINT NATIONAL INSURANCE COMPANY

Dated as of July 19, 2016

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS .....	2
Section 1.1 Definitions .....	2
Section 1.2 Other Definitional Provisions .....	3
ARTICLE II MERGER .....	3
Section 2.1 Merger .....	3
Section 2.2 Name of Surviving Company .....	4
Section 2.3 Articles of Incorporation .....	4
Section 2.4 By-Laws .....	4
Section 2.5 Board of Directors .....	4
Section 2.6 Officers .....	4
Section 2.7 Vacancies .....	4
ARTICLE III EFFECTIVE TIME .....	4
Section 3.1 Effective Time .....	4
ARTICLE IV STATUS OF SHARES .....	4
Section 4.1 Shares of the Company .....	4
Section 4.2 Shares of CastlePoint National .....	4
ARTICLE V EFFECT OF THE MERGER .....	5
Section 5.1 Effect of Merger .....	5
ARTICLE VI COVENANTS .....	5
Section 6.1 Fees and Commissions .....	5
Section 6.2 Access .....	5
Section 6.3 Consummation of Merger .....	5
Section 6.4 Further Assurances .....	5
ARTICLE VII TERMINATION .....	5
Section 7.1 Termination .....	5
Section 7.2 Effect of Termination .....	6
ARTICLE VIII MISCELLANEOUS .....	6
Section 8.1 Notices .....	6
Section 8.2 Amendments and Waiver .....	6
Section 8.3 Governing Law .....	7
Section 8.4 Assignment .....	7
Section 8.5 Entire Agreement .....	7
Section 8.6 Binding Effect; No Third Party Beneficiaries .....	7



Section 8.7	Counterparts.....	7
Section 8.8	Headings .....	7

EXHIBIT A Articles of Incorporation of CastlePoint National Insurance Company

EXHIBIT B By-Laws of CastlePoint National Insurance Company

This PLAN AND AGREEMENT OF MERGER (this "Agreement"), dated as of July 19, 2016, is by and between CastlePoint Florida Insurance Company, an insurance company organized under the laws of Florida (the "Company") and CastlePoint National Insurance Company, an insurance company organized and existing under the laws of the State of California ("CastlePoint National"). The Company and CastlePoint National are sometimes referred to in this Agreement individually as a "Constituent Company" and collectively as the "Constituent Companies."

WITNESSETH:

WHEREAS, the Company and CastlePoint National are each indirect insurance company subsidiaries of Tower Group International, Ltd. a Bermuda corporation ("TGI");

WHEREAS, concurrently herewith, the Company's affiliates, Tower National Insurance Company, an insurance company organized under the laws of Massachusetts, North East Insurance Company, an insurance company organized under the laws of Maine, York Insurance Company of Maine, an insurance company organized under the laws of Maine, Massachusetts Homeland Insurance Company, an insurance company organized under the laws of Massachusetts, Tower Insurance Company of New York, an insurance company organized under the laws of New York, Hermitage Insurance Company, an insurance company organized under the laws of New York, CastlePoint Insurance Company, an insurance company organized under the laws of New York and Preserver Insurance Company, an insurance company organized under the laws of New Jersey (the "Other Tower Companies" and together with the Constituent Companies, the "Tower Companies"), are each merging with and into CastlePoint National pursuant to separate plans and agreements of merger (the "Other Mergers");

WHEREAS, the Merger and the Other Mergers will have the effect of consolidating the assets and liabilities of the Tower Companies with those of CastlePoint National;

WHEREAS, following the Merger and the Other Mergers, the California Department of Insurance will commence conservation proceedings pursuant to Section 1011 of the California Insurance Code and subsequently enter into the Conservation Agreement among the Insurance Commissioner of the State of California (solely in his capacity as the statutory conservator of CastlePoint National), AmTrust North America, Inc., a Delaware corporation, and National General Management Corp., a Delaware corporation, CastlePoint Reinsurance Company Ltd., a Bermuda Corporation, Technology, Technology Insurance Company, Inc., an insurance company organized under the laws of New Hampshire, Integon National Insurance Company, an insurance company organized under the laws of North Carolina, the Michael Karfunkel Family 2005 Trust and Barry Karfunkel, Robert Karfunkel and Barry Zyskind (the "Conservation Agreement") and request court approval of the conservation of CastlePoint National as Surviving Company of the proposed Merger and Other Mergers as contemplated by the Conservation Agreement;

WHEREAS, the Board of Directors of each Constituent Company has determined that the Merger is advisable and in the best interests of each of the Constituent Companies;

WHEREAS, the Board of Directors of each Constituent Company has authorized the Merger and the form and the terms of this Agreement;

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WHEREAS, the shareholders of each Constituent Company have authorized the Merger and the form and the terms of this Agreement;

NOW, THEREFORE, in consideration of the respective promises and agreements contained herein, the parties hereby agree as follows:

## ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following terms shall have the respective meanings set forth below throughout this Agreement:

- (a) Applicable Law: means all applicable provisions of all:
  - (i) constitutions, treaties, statutes, laws (including the common law), rules, regulations, ordinances, codes or orders of any Governmental Authority;
  - (ii) Governmental Approvals; and
  - (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority.
- (b) Articles of Incorporation: Means the articles of incorporation of CastlePoint National, attached hereto as Exhibit A.
- (c) CastlePoint National: has the meaning set forth in the Preamble.
- (d) Commissioner: means the Commissioner of the Florida Office of Insurance Regulation.
- (e) Company: has the meaning set forth in the Preamble.
- (f) Consent: means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority.
- (g) Constituent Company: has the meaning set forth in the Preamble.
- (h) Effective Time: has the meaning set forth in Section 3.1.
- (i) Governmental Approvals: means any Consent of, with or to any Governmental Authority.
- (j) Governmental Authority: means any domestic, foreign, federal, state, provincial or local governmental authority, quasi-governmental authority, instrumentality, court or government, commission, body or organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing.

- (k) Merger: has the meaning set forth in Section 2.1.
- (l) Other Mergers: has the meaning set forth in the Recitals.
- (m) Other Tower Companies: has the meaning set forth in the Recitals.
- (n) Person: means any natural person, firm, partnership, association, corporation, company, trust, business trust, Governmental Authority or other entity.
- (o) Plan: has the meaning set forth in the Recitals.
- (p) Conservation Agreement: has the meaning set forth in the Recitals.
- (q) Surviving Company: has the meaning set forth in Section 2.1.
- (r) Tower Companies: has the meaning set forth in the Recitals.

#### Section 1.2 Other Definitional Provisions.

- (a) For purposes of this Agreement, the words "hereof," "herein," "hereby" and other words of similar import refer to this Agreement as a whole unless otherwise indicated.
- (b) Whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate.
- (c) The term "including" means "including but not limited to."
- (d) Whenever used in this Agreement, the masculine gender shall include the feminine and neutral genders.
- (e) All references herein to Articles, Sections, Subsections, Paragraphs and Exhibits shall be deemed references to Articles and Sections and Subsections and Paragraphs of, and Exhibits to, this Agreement unless the context shall otherwise require.
- (f) Any reference herein to any statute, agreement or document, or any section thereof, shall, unless otherwise expressly provided, be a reference to such statute, agreement, document or section as amended, modified or supplemented (including any successor section) and in effect from time to time.

## ARTICLE II MERGER

Section 2.1 Merger. In accordance with the provisions of the Applicable Laws of the State of Florida and the State of California, and subject to the terms and conditions of this Agreement, the Company shall be merged with and into CastlePoint National (the "Merger"), with CastlePoint National being the surviving company (in its capacity as the surviving company, CastlePoint National being referred to herein as the "Surviving Company").

Section 2.2 Name of Surviving Company. The name of the Surviving Company shall continue to be "CastlePoint National Insurance Company" and the Surviving Company will conduct business as authorized by its Articles of Incorporation, as amended from time to time.

Section 2.3 Articles of Incorporation. The Articles of Incorporation of CastlePoint National, attached as Exhibit A, as in effect at the Effective Time, shall, at the Effective Time, be and continue to be the Articles of Incorporation of the Surviving Company until changed or amended in accordance therewith and Applicable Law.

Section 2.4 By-Laws. The By-Laws of CastlePoint National, attached as Exhibit B, as in effect at the Effective Time, shall, at the Effective Time, be and continue to be the By-Laws of the Surviving Company until changed or amended in accordance therewith and Applicable Law.

Section 2.5 Board of Directors. The members of the Board of Directors of the Surviving Company shall be the Board of Directors of CastlePoint National in office as of the Effective Time until the election and qualification of their successors.

Section 2.6 Officers. The elected and appointed officers of the Surviving Company, who shall continue to serve in office at the pleasure of the Board of Directors of the Surviving Company, shall be the elected and appointed officers of CastlePoint National as of the Effective Time.

Section 2.7 Vacancies. If, at the Effective Time or thereafter, any vacancies shall exist in the Board of Directors or in any office of the Surviving Company for any reason, such vacancies may thereafter be filled in the manner provided in the Articles of Incorporation and By-Laws of the Surviving Company as then in effect.

### ARTICLE III EFFECTIVE TIME

Section 3.1 Effective Time. The Merger provided for in this Agreement shall become effective (such time referred to herein as the "Effective Time") as of 12:01 a.m., New York time, on July 19, 2016.

### ARTICLE IV STATUS OF SHARES

Section 4.1 Shares of the Company. All issued and outstanding shares of the Company as of the Effective Time, consisting of 100,000 shares of common stock (\$1.00 par value per share), shall be surrendered and extinguished as of the Effective Time. All issued and outstanding shares of the Company as of the Effective Time and the certificates representing such shares shall be cancelled and retired, all rights in respect thereof shall cease to exist, and no shares or other securities of the Surviving Company shall be issued with respect thereof.

Section 4.2 Shares of CastlePoint National. All issued and outstanding shares of CastlePoint National as of the Effective Time, consisting of 300,000 shares of common stock (\$14.00 par value per share), shall continue to evidence the same number of shares of common stock of the Surviving Company.

ARTICLE V  
EFFECT OF THE MERGER

Section 5.1 Effect of Merger. At the Effective Time:

- (a) the separate existence of the Company shall cease;
- (b) all the rights, franchises and interests of the Company, in and to every species of property, real, personal and mixed, and things in action thereunto belonging, shall be deemed transferred to and vested in the Surviving Company, without any other deed or transfer; and
- (c) the Surviving Company shall be deemed to have assumed all of the liabilities and contractual obligations of the Company.

ARTICLE VI  
COVENANTS

Section 6.1 Fees and Commissions. No director or officer of either Constituent Company shall receive any fees, commission, other compensation or valuable consideration, directly or indirectly, for in any manner aiding, promoting or assisting in the Merger provided for in this Agreement except for normal and routine fees, commissions, compensation, bonuses and employee benefits regularly paid to any director or officers for their services in attending to the conduct of the business by their respective Constituent Company.

Section 6.2 Access. From the date of this Agreement to the Effective Time, each Constituent Company shall provide the other Constituent Company's directors, officers, employees, agents and representatives full access to its properties, books, records, contracts and commitments and will furnish all such information and documents relating to its properties and business as such other Constituent Company's directors, officers, employees, agents and representatives may reasonably request.

Section 6.3 Consummation of Merger. Each Constituent Company agrees to use its best efforts to take or cause to be taken all commercially reasonable actions required to consummate the Merger contemplated hereby.

Section 6.4 Further Assurances. At any time, prior to or after the Effective Time, each Constituent Company shall execute such additional instruments and take such additional actions as may be reasonably requested by the other Constituent Company to confer title to any property vested in the Surviving Company hereunder or otherwise to carry out the intent and purpose of this Agreement.

ARTICLE VII  
TERMINATION

Section 7.1 Termination. Notwithstanding the approval of this Agreement by the shareholders of each of the Constituent Companies, this Agreement may be terminated by the Board of Directors of either of the Constituent Companies at any time prior to the Effective Time, or as may otherwise be permitted by Applicable Law.

Section 7.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 7.1:

- (a) each Constituent Company shall pay the costs and expenses incurred by it in connection with this Agreement; and
- (b) no Constituent Company (or any director, officer or shareholder of such Constituent Company) shall be liable to the other Constituent Company for any costs, expenses, damages or loss of anticipated profits hereunder.

## ARTICLE VIII MISCELLANEOUS

Section 8.1 Notices. All notices, requests, demands, approvals and other communications under this Agreement shall be in writing and shall be delivered personally, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice or other communication shall be deemed given: (i) upon actual delivery if presented personally or sent by facsimile transmission, or (ii) 3 business days following deposit in the United States mail, if sent by certified, registered or express mail, postage prepaid, in each case to the following addresses:

- (a) If to CastlePoint Florida Insurance Company:

CastlePoint Florida Insurance Company  
59 Maiden Lane, 38th Floor  
New York, NY 10038  
Attention: William Hitselberger, CFO  
Facsimile: (212) 655-2199

- (b) If to CastlePoint National:

CastlePoint National Insurance Company  
59 Maiden Lane, 38th Floor  
New York, New York 10038  
Attention: William Hitselberger, CFO  
Facsimile: (212) 655-2199

Section 8.2 Amendments and Waiver. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Constituent Company or, in the case of a waiver, by the Constituent Company against whom the waiver is to be effective; provided, however, that after the adoption of this Agreement by the shareholders of any Constituent Company, no amendment shall be made which by Applicable Law or the organizational documents of such companies requires further approval by such shareholders, without obtaining such approval. No failure or delay by any Constituent Company in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 8.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles or rules of conflict of laws to the extent such principles or rules are not mandatorily applicable by statute and would require or permit the application of the laws of another jurisdiction.

Section 8.4 Assignment. This Agreement shall not be assignable or otherwise transferable by either Constituent Company without the prior written consent of the other Constituent Company, and any purported assignment or other transfer without such consent shall be void and unenforceable.

Section 8.5 Entire Agreement. This Agreement constitutes the entire agreement between the Constituent Companies with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the Constituent Companies with respect to the subject matter of this Agreement.

Section 8.6 Binding Effect; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Nothing in this Agreement shall confer any rights upon any Person other than the parties hereto and their respective heirs, successors and permitted assigns.

Section 8.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

Section 8.8 Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

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2016 JUL 19 AM 8:54

IN WITNESS WHEREOF, each of the parties has duly executed this Agreement as of the date first above written.

CASTLEPOINT FLORIDA INSURANCE  
COMPANY

By: 

Name: William Hitzelberger  
Title: President & Treasurer

SEAL

Attest:



Name: Meghan Zeigler  
Title: Assistant Secretary

CASTLEPOINT NATIONAL INSURANCE  
COMPANY

By: 

Name: William Hitzelberger  
Title: President & Treasurer

SEAL

Attest:



Name: Meghan Zeigler  
Title: Assistant Secretary

**EXHIBIT A**

**ARTICLES OF INCORPORATION OF CASTLEPOINT NATIONAL INSURANCE  
COMPANY**

**ARTICLES OF INCORPORATION  
(REDOMESTICATION)  
OF  
CASTLEPOINT NATIONAL INSURANCE COMPANY  
(An Existing Illinois Corporation)  
PURSUANT TO THE PROVISIONS OF  
SECTION 709.5 OF THE CALIFORNIA INSURANCE CODE AND  
SECTIONS 180.5 AND 201.6 OF THE CALIFORNIA CORPORATIONS CODE**

CASTLEPOINT NATIONAL INSURANCE COMPANY, a corporation organized under the laws of the State of Illinois (the "Corporation"), for the purpose of continuing its existence, without interruption, as a corporation organized under the laws of the State of California, does hereby elect, pursuant to California Insurance Code section 709.5 and California Corporations Code sections 180.5 and 201.6, to become redomesticated and reincorporated as a California corporation. Upon the taking effect of these Articles of Incorporation, the Corporation shall be and continue to be possessed of all rights, privileges, franchises and powers to the same extent as if it had been originally incorporated under the laws of the State of California; and all rights, privileges, franchises and powers belonging to the Corporation, and all property, real, personal, and mixed, all debts due on whatever account, all certificates of authority, agent appointments, outstanding insurance policies, capital structure and all chores in action, shall be, and the same are hereby, ratified, approved, confirmed and assured to the Corporation with like effect and to all intents and purposes as if it had been originally incorporated under the laws of the State of California. Without limitation of the foregoing, the Corporation shall be given recognition as a domestic insurance company of the State of California for all purposes from and after the date of its initial authorization as a domestic insurer under the laws of California.

For the purpose of setting forth its charter as a California corporation, the Corporation hereby adopts the following Articles of Incorporation:

**ARTICLE I**

The name of the Corporation is CastlePoint National Insurance Company.

**ARTICLE II**

(a) The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

(b) The business of the Corporation is to be an insurer, subject to the provisions of the California Insurance Code.

(c) The Corporation is organized to transact any class of insurance specifically authorized by its California Certificate of Authority, which classes are as follows: Automobile; Boiler and Machinery; Burglary; Fire; Liability; Marine; Miscellaneous; Plate Glass; Sprinkler; Surety; and Workers' Compensation. The Corporation is not authorized to transact the following classes of insurance: Life; Disability; Title; Common Carrier Liability; Credit; Team and Vehicle; Mortgage; Aircraft; Mortgage Guaranty; Insolvency; Legal; or Financial Guaranty.

### **ARTICLE III**

The name and complete business address in the State of California of the Corporation's initial agent for service of process is as follows: Linda Poe, 3 Park Plaza, Suite 300, Irvine, California 92614.

### **ARTICLE IV**

The Corporation is authorized to issue 800,000 shares of common stock of one class. The par value of each share is \$14.00.

### **ARTICLE V**

(a) The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

(b) The Corporation shall indemnify and hold harmless any officer or director of the Corporation to the fullest extent permitted under California Corporations Code § 317 or any successor provision, as the same may be amended from time to time, and as set forth in the bylaws of the Corporation. The Corporation may indemnify and hold harmless any employee or agent of the Corporation to the same extent as any officer or director. Notwithstanding the foregoing, the Corporation shall not be required to indemnify a person in connection with a proceeding initiated by such person, including a counterclaim or crossclaim, unless the proceeding was authorized by the Board of Directors. The Corporation is authorized to provide indemnification of agents (as defined in California Corporations Code § 317) for breach of duty to the Corporation and its shareholders through bylaw provisions or through agreements with the agents, or otherwise, in excess of the indemnification otherwise permitted by California Corporations Code § 317, subject to the limits on such excess indemnification set forth in California Corporations Code § 204.

(c) Any amendment, repeal or modification of any provision of this Article V shall not adversely affect any right or protection of any officer or director of the Corporation existing at the time of such amendment, repeal or modification.

### **ARTICLE VI**

The initial street and mailing address of the Corporation is 3 Park Plaza, Suite 300, Irvine, California 92614.

Effective as of March 31, 2016, the mailing address and statutory address of the Corporation is 101 California Street, 36<sup>th</sup> Floor, San Francisco, California 94111.

## **EXHIBIT B**

### **BY-LAWS OF CASTLEPOINT NATIONAL INSURANCE COMPANY**

## **AMENDED & RESTATED BYLAWS**

Bylaws for the regulation, except as  
otherwise provided by statute or its  
Articles of Incorporation, of

**CASTLEPOINT NATIONAL INSURANCE COMPANY,  
a California corporation.**

### **ARTICLE I. OFFICES**

Section 1. Principal Executive Office. The principal executive office of **CASTLEPOINT NATIONAL INSURANCE COMPANY**, a California corporation (the "Corporation"), shall be established anywhere within or without the State of California as may be determined by the Board of Directors. If the principal executive office is located outside California and the Corporation has one or more business offices in California, then the Board of Directors shall fix and designate a principal business office in California.

Section 2. Other Offices. Branch or subordinate offices may be established at any time by the Board of Directors, any committee thereof, or the chief executive officer, at any place or places where the Corporation is qualified to do business.

### **ARTICLE II. SHAREHOLDERS**

Section 1. Place of Meetings. Meetings of shareholders shall be held either at the principal executive office of the Corporation or at any other place within or without the State of California which may be designated either by the Board of Directors or by the written consent of all persons entitled to vote thereat, given either before or after the meeting and filed with the Secretary of this Corporation.

Section 2. Annual Meeting. The annual meetings of the shareholders and Board of Directors shall be held at such time and date on or about the first day of May as the Board of Directors or its Chairman shall determine. At such meetings, Directors and officers shall be elected and any other proper business may be transacted.

Section 3. Special Meetings. Subject to the provisions of the following Section 4, special meetings of the shareholders may be called at any time by the Board of Directors, the Chairman of the Board of Directors, the President, or by the shareholders entitled to cast not less than ten percent (10%) of the votes at such meeting. Upon request in writing to the Chairman of the Board of Directors, the President, any Vice President or the Secretary, by any person (other

than the Board of Directors) entitled to call a special meeting of shareholders, the officer forthwith shall cause notice to be given to the shareholders entitled to vote that a meeting will be held at a time requested by the person or persons calling the meeting, not less than 35 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after receipt of the request, the persons entitled to call the meeting may give the notice or the Superior Court of the proper county shall summarily order the giving of the notice, after notice to the Corporation giving it an opportunity to be heard.

**Section 4. Notice of Annual or Special Meeting.** Written notice of each annual or special meeting of shareholders shall be given not less than 10 (or, if sent by third class mail, 30) nor more than 60 days before the date of the meeting to each shareholder entitled to vote thereat. Such notice shall be given in writing to the shareholders entitled to vote by the Secretary, or an assistant secretary, or other persons charged with that duty, or if there be no such officer or in the case of his neglect or refusal, by any Director or shareholder. Such notice shall state the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors, at the time of the mailing of the notice, intends to present for action by the shareholders, but, subject to the provisions of applicable law, any proper matter may be presented at the meeting for such action. The notice of any meeting at which Directors are to be elected shall include the names of the nominees intended at the time of the notice to be presented by the Board of Directors for election.

Notice of a shareholders' meeting or any report shall be given either personally or by first class mail, or by other means of written communication, charges prepaid, addressed to the shareholder at the address of such shareholder appearing on the books of the Corporation or given by the shareholder to the Corporation for the purpose of notice; or, if no such address appears or is given, at the place where the principal executive office of the Corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal executive office is located. The notice or report shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of mailing of any notice or report in accordance with the applicable law, executed by the Secretary or assistant secretary, if any, shall be attached to the minutes of any such meeting. This affidavit shall be prima facie evidence of the giving of the notice or report. Notice of an annual meeting to be held at the time and place specified shall be sufficiently given if published at least once in each of four successive weeks in a newspaper of general circulation in the county in which the principal office of the Corporation is located, and if so published no other notice of the meeting shall be required.

If any notice or report addressed to a shareholder at the address of such shareholder appearing on the books of the Corporation is returned to the Corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the shareholder at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the shareholder upon written demand of the shareholder at the principal executive office of the Corporation for a period of one year from the date of the giving of the notice or report to all other shareholders.

When a shareholders' meeting is adjourned to another time or place, unless these bylaws otherwise require and except as provided by law, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 5. Quorum. Unless otherwise provided in the Articles of Incorporation of the Corporation ("Articles"), a majority of the shares entitled to vote represented in person or by proxy shall constitute a quorum at any meeting of shareholders, but in no event shall a quorum at any meeting of shareholders consist of less than one-third of the shares entitled to vote at the meeting or of more than a majority of the shares entitled to vote at the meeting. Except as provided in the following sentence, the affirmative vote of the majority of the shareholders represented and voting at the meeting (which shareholders voting affirmatively also constitute at least a majority of the required quorum) on any matter shall be the act of the shareholders. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding withdrawal of enough shareholders to leave less than a quorum if any action taken (other than adjournment) is approved by at least a majority of the shareholders required to constitute a quorum.

Section 6. Meetings Without Notice. The transactions of any meeting of shareholders, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by law to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of shareholders need be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof, except as provided for by law.

In the absence of a quorum, any meeting of shareholders may be adjourned from time to time by the vote of the majority of the shares represented either in person or by proxy, but no other business may be transacted, except as provided above.

Section 7. Shareholder Action Without Meeting. Subject to Section 603 of the California Corporations Code, any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not

less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Directors may not be elected by written consent except by unanimous written consent of all shares entitled to vote for the election of Directors. However, a Director may be elected at any time to fill any vacancy on the Board of Directors, provided that it was not created by removal of a Director and that it has not been filled by the Directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of Directors.

All such consents shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holders, or a transferee of the shares, or a personal representative of the shareholder, or their respective proxy holders, may revoke the consent by a writing received by the Secretary of the Corporation before written consents of the number of shares required to authorize the proposed action have been filed with the Secretary of the Corporation.

If the consents of all shareholders entitled to vote have not been solicited in writing, the Secretary shall give prompt notice of any corporate action approved by the shareholders without a meeting by less than unanimous written consent to those shareholders entitled to vote who have not consented in writing. Such notice shall be given in the manner specified in Section 4 of these Bylaws. In the case of approval of (i) a contract or transaction in which a Director has a direct or indirect financial interest, pursuant to California Corporations Code Section 310, (ii) indemnification of a corporate "agent" pursuant to California Corporations Code Section 317, (iii) a reorganization of the Corporation, pursuant to California Corporations Code Section 1201, and (iv) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to California Corporations Code Section 2007, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval, unless the consents of all shareholders entitled to vote have been solicited in writing.

Section 8. Inspectors of Election. In advance of any meeting of shareholders, the Board of Directors may appoint inspectors of election to act at such meeting and any adjournment thereof. If inspectors of election are not so appointed, or any person so appointed fails to appear or refuses to act, the chairman of any meeting of shareholders may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election (or persons who replace those who so fail or refuse) at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shareholders represented in person or by proxy shall determine whether one or three inspectors are to be appointed.

The inspectors of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of the proxies; receive votes, ballots, or consents; hear and determine all challenges and questions in any way arising in connection with the right to vote; count and tabulate all votes or consents; determine when the polls shall close; determine the result and do such acts as may be proper to conduct the election or vote with fairness to all shareholders.



The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three inspectors of election, the decision, act, or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

Section 9. Voting. The shareholders entitled to notice of any meeting or to vote at any such meeting shall be only persons in whose name shares stand on the stock records of the Corporation on the record date determined in accordance with Section 10 of this Article.

Except as provided elsewhere in this Section 9, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote of shareholders.

Any holder of shares entitled to vote on any matter may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, other than elections to office, but, if the shareholder fails to specify the number of shares such shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares such shareholder is entitled to vote.

Voting shall in all cases be subject to the provisions of Chapter 7 of the California General Corporation Law and to the following provisions:

(a) Subject to Section 9(g) herein, shares held by an administrator, executor, guardian, conservator or custodian may be voted by such holder either in person or by proxy, without a transfer of such shares into the holder's name; and shares standing in the name of a trustee may be voted by the trustee, either in person or by proxy, but no trustee shall be entitled to vote shares held by such trustee without a transfer of such shares into the trustee's name.

(b) Shares standing in the name of a receiver may be voted by such receiver; and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into the receiver's name if authority to do so is contained in the order of the court by which such receiver was appointed.

(c) Subject to the provisions of California Corporations Code Section 705, and except where otherwise agreed in writing between the parties, a shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

(d) Shares standing in the name of a minor may be voted and the Corporation may treat all rights incident thereto as exercisable by the minor, in person or by proxy, whether or not the Corporation has notice, actual or constructive, of the nonage, unless a guardian of the minor's property has been appointed and written notice of such appointment given to the Corporation.

(e) Shares standing in the name of another corporation, domestic or foreign, may be voted by an officer, agent or proxyholder as the bylaws of the other corporation may prescribe or, in the absence of such provision, as the Board of Directors of the other corporation may determine or, in the absence of that determination, by the chairman of the board, president or any

vice president of the other corporation, or by any other person authorized to do so by the chairman of the board, president or any vice president of the other corporation. Shares which are purported to be voted or any proxy purported to be executed in the name of a corporation (whether or not any title of the person signing is indicated) shall be presumed to be voted or the proxy executed in accordance with the provisions of Section 703(a) of the California Corporations Code, unless the contrary is shown.

(f) Shares of the Corporation owned by its subsidiary shall not be entitled to vote on any matter.

(g) Shares held by the Corporation in a fiduciary capacity, and shares of the Corporation held in a fiduciary capacity by its subsidiary, shall not be entitled to vote on any matter, except as follows:

(1) To the extent that the settlor or beneficial owner possesses and exercises a right to vote or to give the Corporation binding instructions as to how to vote such shares; and

(2) Where there are one or more co-trustees who are not affected by the prohibition of Section 703(c) of the California Corporations Code, in which case the shares may be voted by the co-trustees as if it is or they are the sole trustee.

(h) If shares stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, voting trustees, persons entitled to vote under a shareholder voting agreement or otherwise, or if two or more persons (including proxyholders) have the same fiduciary relationship respecting the same shares, unless the Secretary of the Corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

(1) If only one votes, such act binds all;

(2) If more than one vote, the act of the majority so voting binds all;

(3) If more than one vote, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionately. If the instrument so filed or the registration of the shares shows that any such tenancy is held in unequal interests, a majority or even split for the purpose of this section shall be a majority or even split in interest.

Every shareholder complying with these bylaws and entitled to vote at any election of Directors may cumulate such shareholder's votes and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which the shareholder's shares are normally entitled, or distribute the shareholder's votes on the same principle among as many candidates as the shareholder thinks fit. No shareholder shall be entitled to cumulate votes (i.e., cast for any candidate a number of votes greater than the number of votes which such shareholder normally is entitled to cast) unless such candidate or candidates' names have been placed in nomination prior to the voting and the shareholder has given notice at

the meeting prior to the voting of the shareholder's intention to cumulate the shareholder's votes. If any one shareholder has given such notice, all shareholders may cumulate their votes for candidates in nomination.

Elections for Directors need not be by ballot unless a shareholder demands election by ballot at the meeting and before the voting begins.

In any election of Directors, the candidates receiving the highest number of affirmative votes of the shares entitled to be voted for them up to the number of Directors to be elected by such shares are elected. Votes against the Director and votes withheld shall have no legal effect.

Section 10. Record Date. In order that the Corporation may determine the shareholders entitled to notice of any meeting or to vote or to receive payment of any dividend or other distribution, or allotment of any rights, or to exercise rights in respect of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days prior to the date of such meeting nor more than 60 days prior to any other action.

If no record date is fixed by the Board of Directors: (a) the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held; (b) the record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the Board of Directors has been taken, shall be the day on which the first written consent is given; (c) the record date for determining shareholders for any purpose other than set forth in (a) or (b) above shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting. The Board of Directors shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

Shareholders at the close of business on the record date are entitled to notice and to vote or to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date, except as otherwise provided in the Articles or by agreement.

Section 11. Proxies. Every person entitled to vote shares may authorize another person or persons to act by proxy with respect to such shares. This shall be done by a written proxy executed by such shareholder and filed with the Secretary of the Corporation. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided by law or in these

bylaws. Such revocation may be effected by a writing delivered to the Corporation stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting, or as to any meeting by attendance at such meeting and voting in person by the person executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed.

A proxy is not revoked by the death or incapacity of the maker unless, before the vote is counted, written notice of such death or incapacity is received by the Corporation.

### ARTICLE III. DIRECTORS

Section 1. Powers. Subject to limitations of the Articles of Incorporation, these Bylaws, and of the California General Corporation Law relating to action required to be approved by the shareholders, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the Corporation to a management company or other person provided that the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board of Directors shall have the following powers in addition to the other powers enumerated in these Bylaws:

(a) To select and remove all the other officers, agents and employees of the Corporation, prescribe the powers and duties for them as may not be inconsistent with law, or with the Articles or these Bylaws, fix their compensation, and require from them security for faithful service;

(b) To conduct, manage, and control the affairs and business of the Corporation and to make such rules and regulations therefor not inconsistent with law, or with the Articles or these Bylaws, as they may deem best;

(c) To adopt, make, and use a corporate seal, and to alter the form of such seal from time to time as in their judgment they may deem best;

(d) To authorize the issuance of and to designate par value, if any, of shares of stock of the Corporation and any options therefor from time to time, upon such terms and for such consideration as may be lawful and in accordance with these Bylaws;

Except as otherwise provided herein, shares issued as provided in this section or Section 4, Article V, shall be declared and taken to be fully paid stock and not liable to any further call nor shall the holder thereof be liable for any further payment under the provisions of the California General Corporation Law. In the absence of fraud in the transaction, the judgment of the Directors as to the value of the consideration for shares shall be conclusive.

(e) To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefor, in the corporate name, promissory notes,

bonds, debentures, securities convertible into other debt or equity securities, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefore.

Section 2. Number and Qualification of Directors. The authorized number of Directors shall be ***not less than four (4) nor more than seven (7) (which in no case shall be greater than two times the stated minimum minus one)***, until changed by amendment of the Articles or by a bylaw duly adopted by the shareholders. However, if the Corporation has one shareholder, it may have one or two directors; if the Corporation has two shareholders only, it may have two directors. The exact number of Directors shall be fixed, within the limits specified, by the Board of Directors or the shareholders in the same manner provided in these Bylaws for the amendment hereof. ***The exact number of Directors shall be five (5) until changed as provided in this Section 2.***

Section 3. Election and Term of Office. The Directors shall be elected at each annual meeting of shareholders but if any such annual meeting is not held or the Directors are not elected thereat, the Directors may be elected at any special meeting of shareholders held for that purpose. Each Director shall hold office until the next annual meeting and until a successor has been elected and qualified.

Notwithstanding Article II, Section 7, and subject to Section 4 of this Article, Directors may not be elected by written consent except by unanimous written consent of all shareholders entitled to vote for the election of Directors.

Section 4. Vacancies and Removal. Any Director may resign effective upon giving written notice to the Chairman of the Board of Directors, the President, Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Vacancies on the Board of Directors, including those existing as a result of a removal of a Director, may be filled by approval of the Board of Directors or, if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, whether or not less than a quorum, (2) the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to notice or waivers of notice complying with California Corporations Code Section 307, or (3) by a sole remaining Director, and each Director so elected shall hold office until the next annual meeting and until such Director's successor has been elected and qualified.

If, after the filling of any vacancy by the Directors, the Directors then in office who have been elected by the shareholders shall constitute less than a majority of the Directors then in office, then both of the following shall be applicable: (1) any holder or holders of an aggregate of five percent or more of the total number of shares at the time outstanding having the right to vote for such Directors may call a special meeting of shareholders, or (2) the Superior Court of the proper county shall upon application of such shareholder or shareholders summarily order a special meeting of shareholders to be held to elect the entire board. The term of office of any Director shall terminate upon such election of a successor.

A vacancy or vacancies on the Board of Directors shall be deemed to exist in case of death, resignation, or removal of any Director, or if the authorized number of Directors be increased, or if the shareholders fail, at any annual or special meeting of shareholders at which any Director or Directors are elected, to elect the full authorized number of Directors to be elected at that meeting.

The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony.

The shareholders may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors. Any such election by written consent, other than to fill a vacancy created by removal, requires the consent of a majority of the shareholders entitled to vote. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board of Directors or the shareholders shall have power to elect a successor to take office when the resignation is to become effective.

Any or all of the Directors may be removed without cause if such removal is approved by the outstanding shares, subject to the following: (a) No Director may be removed (unless the entire Board of Directors is removed) when the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such Director if voted cumulatively at an election at which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of Directors authorized at the time of the Director's most recent election were then being elected; and (b) when by the provisions of the Articles, the holders of the shares of any class or series, voting as a class or series, are entitled to elect one or more Directors, any Director so elected may be removed only by the applicable vote of the holders of the shares of that class or series.

Any reduction of the authorized number of Directors does not remove any Director prior to the expiration of the Director's term of office.

Section 5. Place of Meeting. Regular or special meetings of the Board of Directors shall be held at any place within or without the State of California which has been designated from time to time by the Board of Directors. In the absence of such designation, regular meetings shall be held at the principal executive office of the Corporation.

Section 6. Regular Meetings. Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business.

Other regular meetings of the Board of Directors shall be held without call on such dates as the Board of Directors may determine; provided, however, should said day fall upon a Saturday, Sunday, or legal holiday observed by the Corporation at its principal executive office, then said meeting shall be held at the same time on the next day thereafter ensuing which is a full business day. Call and notice of all regular meetings of the Board of Directors are hereby dispensed with.

Section 7. Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board of Directors, the President, or the Secretary or by any two Directors.

Special meetings of the Board of Directors shall be held upon four days' notice by mail or 48 hours' notice given personally or by telephone, telegraph, telex, facsimile transmission or other similar means of communication. Any such notice shall be addressed or delivered to each Director at such Director's address as it is shown upon the records of the Corporation or as may have been given to the Corporation by the Director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

Section 8. Quorum. A majority of the authorized number of Directors constitutes a quorum of the Board of Directors for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 9. Participation in Meetings by Conference Telephone. Members of the Board of Directors may participate in a meeting through use of conference telephone, electronic vide screen communication or other communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to California Corporations Code Section 307(a)(6) constitutes presence in person at such meeting.

Section 10. Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to such Director either prior thereto or at the commencement thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 11. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be

given prior to the time of the adjourned meeting to the Directors who were present at the time of the adjournment.

Section 12. Fees and Compensation. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by the Board of Directors. No provision in these Bylaws shall preclude any Director from serving the Corporation in any other capacity as an officer, agent, employee or otherwise and receiving compensation therefore.

Section 13. Board Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors.

Section 14. Duties of Directors. A Director shall perform the duties of a Director, including duties as a member of any committee of the Board of Directors upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

(c) A committee of the Board of Directors upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause reliance to be unwarranted.

Section 15. Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation and also of its subsidiary corporations, domestic or foreign. Such inspection by a Director may be made in person or by agent or attorney and includes the right to copy and obtain extracts.

Section 16. Committees. The Board of Directors may, by resolution adopted by a majority of the authorized number of Directors, designate one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more Directors as alternate members of any committee,



who may replace any absent members at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the authorized number of Directors. Any such committee, to the extent provided in the resolution of the Board of Directors or in the Bylaws, shall have all the authority of the Board of Directors, except with respect to:

(a) The approval of any action for which the California General Corporation Law or the California Insurance Code also requires shareholders' approval or approval of the outstanding shares;

(b) The filling of vacancies on the Board of Directors or on any committee;

(c) The fixing of compensation of the Directors for serving on the Board of Directors or on any committee;

(d) The amendment or repeal of Bylaws or the adoption of new Bylaws;

(e) The amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(f) A distribution to the shareholders of the Corporation except at a rate or in a periodic amount or within a price range determined by the Board of Directors;

(g) The appointment of other committees of the Board of Directors or the members thereof.

Section 17. Corporate Loans and Guarantees to Directors, Officers and Employees. Except as expressly permitted by law, the Corporation shall not make any loan of money or property to or guarantee the obligation of:

(a) Any Director or officer of the Corporation or of its parent or any subsidiary;  
or

(b) Any person upon the security of shares of the Corporation or of its parent, unless the loan or guaranty is otherwise adequately secured, except by the vote of the holders of a majority of the shares of all classes, regardless of limitations or restrictions on voting rights, other than shares held by the benefited Director, officer or shareholder.

#### ARTICLE IV. OFFICERS

Section 1. Officers. The officers of the Corporation shall be a president, a secretary and a chief financial officer. The Corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board of Directors, one or more vice-presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be elected or appointed in accordance with the provisions of Section 3 of this Article.

Section 2. Election. The officers of the Corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 3 or Section 5 of this Article IV, shall be chosen annually by, and shall serve at the pleasure of, the Board of Directors, and shall hold their respective offices until their resignation from service, or until their respective successors shall be elected.

Section 3. Other Officers. The Board of Directors may elect such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

The chief executive officer may appoint such additional officers, other than vice presidents, as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the chief executive officer may from time to time determine.

Section 4. Removal and Resignation. Any officer may be removed, either with or without cause, by the Board of Directors at any time, or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power shall be given, without prejudice to the rights, if any, of the officer under any contract of employment of the officer.

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

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws, for regular election or appointment to such office.

Section 6. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there shall be such an office, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned by the Board of Directors.

Section 7. President. Subject to such powers, if any, as may be given by the Board of Directors to the Chairman of the Board of Directors, if there be such an officer, the President is the Chief Executive Officer and general manager of the Corporation and has, subject to the control of the Board of Directors, general supervision, direction and control of the business and officers of the Corporation. The President shall preside at all meetings of the shareholders and, in the absence of the Chairman of the Board of Directors, or if there be none, at all meetings of the Board of Directors. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board of Directors.

Section 8. Vice Presidents. In the absence or disability of the President, the Vice Presidents in order of their rank as fixed by the Board of Directors or, if not ranked, the Vice

President 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 upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors.

Section 9. Secretary. The Secretary shall keep or cause to be kept, at the principal executive office and such other place as the Board of Directors may order, a book of minutes of all meetings of shareholders, the Board of Directors, and its committees, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Board of Directors and committee meetings, the number of shareholders present or represented at shareholders' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, a copy of these Bylaws of the Corporation at the principal executive office or business office in accordance with California Corporations Code Section 213.

The Secretary shall keep, or cause to be kept, at the principal executive office, or at the office of the Corporation's transfer agent or registrar, if one be appointed, a share register, showing the names of the shareholders and their addresses, the number and classes of shares held by each and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and of the Board of Directors and of any committees thereof required by these Bylaws or by law to be given, shall keep the seal of the Corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

Section 10. Treasurer. The Treasurer is the chief financial officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation and shall send or cause to be sent to shareholders of the Corporation such financial statements and reports as are by law or these Bylaws required to be sent to them. The books of account shall at all times be open to inspection by any Director.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the Corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

## ARTICLE V. OTHER PROVISIONS

### Section 1. Inspection of Corporate Records.

(a) A shareholder or shareholders holding at least five percent in the aggregate of the outstanding voting shares of the Corporation or who hold at least one percent of such voting shares and have filed a Schedule 14B with the United States Securities and Exchange

Commission relating to the election of Directors of the Corporation shall have an absolute right to do either or both of the following:

(1) Inspect and copy the record of shareholders' names and addresses and shareholdings during usual business hours upon five business days' prior written demand upon the Corporation; or

(2) Obtain from the transfer agent for the Corporation, upon written demand and upon the tender of its usual charges for such a list (the amount of which charges shall be stated to the shareholder by the transfer agent upon request), a list of the shareholders' names and addresses who are entitled to vote for the election of Directors and their shareholdings, as of the most recent record date for which it has been compiled or as of a date specified by the shareholder subsequent to the date of demand. The list shall be made available on or before the later of five business days after the demand is received or the date specified therein as the date as of which the list is to be compiled. The Corporation shall have the responsibility to cause its transfer agent to comply with this Section.

(b) The record of shareholders shall also be open to inspection and copying by any shareholder or holder of a voting trust certificate at any time during usual business hours upon written demand on the Corporation, for a purpose reasonably related to such holder's interest as a shareholder or holder of a voting trust certificate.

(c) The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and committees of the Board of Directors shall be open to inspection upon written demand on the Corporation of any shareholder or holder of a voting trust certificate at any reasonable time during usual business hours, for a purpose reasonably related to such holder's interests as a shareholder or as a holder of such voting trust certificate. The right of inspection created by this Section shall extend to the records of each subsidiary of the Corporation subject to this Section.

(d) Such inspection by a shareholder or holder of a voting trust certificate may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make abstracts.

Section 2. Inspection of Bylaws. The Corporation shall keep in its principal executive office the original or a copy of these Bylaws as amended to date which shall be open to inspection by shareholders at all reasonable times during office hours. If the principal executive office of the Corporation is outside the State of California and the Corporation has no principal business office in such state, it shall upon the written request of any shareholder furnish to such shareholder a copy of these Bylaws as amended to date.

Section 3. Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, share certificate, conveyance, or other instrument in writing and any assignment or endorsements thereof executed or entered into between this Corporation and any other person, when signed by the Chairman of the Board of Directors, the President or any Vice President, and the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of this Corporation shall be valid and binding

on this Corporation in the absence of actual knowledge on the part of the other person or persons and in such manner as from time to time shall be determined by the Board of Directors and, unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 4. Certificates of Stock. Every holder of shares of the Corporation shall be entitled to have a certificate signed in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or any Assistant Secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were an officer, transfer agent, or registrar at the date of issue.

When the Articles are amended in any way affecting the statements contained in the certificates for outstanding shares, or it becomes desirable for any reason, in the discretion of the Board of Directors, to cancel any outstanding certificate for shares and issue a new certificate therefor conforming to the rights of the holder, the Board of Directors may order any holders of outstanding certificates of shares to surrender and exchange them for new certificates within a reasonable time to be fixed by the Board of Directors.

The order may provide that a holder of any certificates so ordered to be surrendered is not entitled to vote or to receive dividends or exercise any of the other rights of shareholders until the holder has complied with the order, but such order operates to suspend such rights only after notice and until compliance. The duty of surrender of any outstanding certificates may also be enforced by civil action.

Section 5. Representation of Shares of Other Corporations. The President or any other officer or officers authorized by the Board of Directors or the President are each authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 6. Stock Purchase Plans. Subject to all applicable law, the Corporation may adopt and carry out a stock purchase plan or agreement or stock option plan or agreement providing for the issue and sale for such consideration as may be fixed of its unissued shares, or of issued shares acquired or to be acquired, to one or more of the employees or Directors of the Corporation or of a subsidiary or parent thereof or to a trustee on their behalf and for the payment for such shares in installments or at one time, and may provide for aiding any such persons in paying for such shares by compensation for services rendered, or otherwise.

Any such stock purchase plan or agreement or stock option plan or agreement may include, among other features, the fixing of eligibility for participation therein, the class and

price of shares to be issued or sold under the plan or agreement, the number of shares which may be subscribed for, the method of payment therefor, the reservation of title until full payment therefor, the effect of the termination of employment and option or obligation on the part of the Corporation to repurchase the shares upon termination of employment, restrictions upon transfer of the shares, the time limits of and termination of the plan, and any other matters, not in violation of applicable law, as may be included in the plan as approved or authorized by the Board of Directors or any committee of the Board of Directors.

Section 7. Annual Report to Shareholders. The annual report to shareholders referred to in Section 1501 of the California Corporations Code is expressly waived, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to shareholders in accordance with any laws or regulations of the State of California or in the Board of Directors' discretion.

Section 8. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Corporations Code, the California General Corporation Law and the California Insurance Code shall govern the construction of these Bylaws.

## ARTICLE VI. INDEMNIFICATION

Section 1. Definitions. For the purposes of this Article, "specified person" means any person who is or was a director, officer, employee, or other agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or Section 5(c) of this Article.

Section 2. Indemnification in Actions by Third Parties. The Corporation shall indemnify any director or officer of the Corporation (including any person who is or was serving at the request of the Corporation as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director or officer of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation) and may indemnify any other specified person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor) by reason of the fact that the person is or was a specified person, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if that person acted in good faith and in a manner the person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. The termination of any proceeding by judgment, order, settlement, 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 and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. Indemnification in Actions by or in the Right of the Corporation. The Corporation shall indemnify any director or officer of the Corporation (including any person who is or was serving at the request of the Corporation as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director or officer of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation) and may indemnify any other specified 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 a judgment in its favor by reason of the fact that the person is or was a specified person, against expenses actually and reasonably incurred by that person in connection with the defense or settlement of the action if the person acted in good faith, in a manner the person believed to be in the best interests of the Corporation and its shareholders. No indemnification shall be made under this Section 3:

(a) In respect of any claim, issue, or matter as to which the person shall have been adjudged to be liable to the Corporation in the performance of that person's duty to the Corporation and its shareholders, unless and only to the extent the court in which the proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a pending action, with or without court approval; or

(c) Of expenses incurred in defending a pending action which is settled or otherwise disposed of without court approval.

Section 4. Indemnification Against Expenses. If a specified person is entitled to or is provided indemnification under Section 2 or 3 of this Article and to the extent that a specified person has been successful on the merits in defense of any proceedings referred to in Section 2 or 3 of this Article or in defense of any claim, issue or matter therein, the specified person shall be indemnified against expenses actually and reasonably incurred by the specified person in connection therewith.

Section 5. Required Determinations. Except as provided in Section 4 of this Article, any indemnification under this Article VI shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the specified person is proper in the circumstances because the specified person has met the applicable standard of conduct set forth in Sections 2 or 3 hereof by:

(a) A majority vote of a quorum consisting of directors who are not parties of such proceeding;

(b) If such a quorum of directors is not obtainable, by independent legal counsel in a written opinion;

(c) Approval of the shareholders with the shares owned by the person to be indemnified not being entitled to vote thereon; or

(d) The court in which the proceeding is or was pending upon application made by the Corporation or the specified person or the attorney or other person rendering services in connection with the defense, whether or not the application by the specified person, attorney, or other person is opposed by the Corporation.

Section 6. Advance of Expenses. Expenses incurred in defending any proceeding shall be advanced (in the case of any director or officer of the Corporation including any person who is or was serving at the request of the Corporation as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director or officer of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation) and may be advanced (in the case of any other specified person) by the Corporation prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the specified person to repay that amount if it shall be determined ultimately that the specified person is not entitled to be indemnified as authorized in this Article VI. The provisions of Section 315(a) of the California General Corporation Law and Section 17 of Article III hereof do not apply to such advances.

Section 7. Other Indemnification. The indemnification authorized by this Article shall not be deemed exclusive of any additional rights to indemnification for breach of duty to the Corporation and its shareholders while acting in the capacity of a director or officer of the Corporation to the extent the additional rights to indemnification are authorized in an article provision adopted pursuant to paragraph (11) of subdivision (a) of Section 204 of the California General Corporation Law. The indemnification provided by this section for acts, omissions, or transactions while acting in the capacity of, or while serving as, a director or officer of the Corporation but not involving breach of duty to the Corporation and its shareholders shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise to the extent the additional rights to indemnification are authorized in the Articles of Incorporation of the Corporation. An article provision authorizing the indemnification "in excess of that otherwise permitted by Section 317 of the California General Corporation Law" or "to the fullest extent permissible under California law" or the substantial equivalent thereof shall be construed to be both a provision for additional indemnification for breach of duty to the Corporation and its shareholders as referred to in, and with the limitations required by, paragraph (11) of subdivision (a) of Section 204 of the California General Corporation Law and a provision for additional indemnification as referred to in the second sentence of this section. The rights to indemnity hereunder shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of the person. Nothing contained in this Article shall affect any right to indemnification to which persons other than the directors and officers may be entitled by contract or otherwise.



Section 8. Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article VI, except as provided in Section 4 or Section 5(d), in circumstances where it appears:

(a) that it would be inconsistent with a provision of the Articles, Bylaws, a resolution of the shareholders or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any specified person against any liability asserted against or incurred by the specified person in that capacity or arising out of the specified person's status as such whether or not the Corporation would have the power to indemnify the specified person against that liability under the provisions of this Article VI. The fact that the Corporation may own all or a portion of the shares of the company issuing a policy of insurance shall not render this Section 9 inapplicable if either of the following conditions are satisfied: (1) if the Corporation's Articles of Incorporation authorize indemnification in excess of that authorized in this Article VI and the insurance provided by this Section 9 is limited as indemnification is required to be limited by paragraph (11) of subdivision (a) of Section 204 of the California General Corporation Law; or (2) (A) the company issuing the insurance policy is organized, licensed, and operated in a manner that complies with the insurance laws and regulations applicable to its jurisdiction of organization, (B) the company issuing the policy provides procedures for processing claims that do not permit that company to be subject to the direct control of the Corporation that purchased that policy, and (C) the policy issued provides for some manner of risk sharing between the issuer and purchaser of the policy, on one hand, and some unaffiliated person or persons, on the other, such as by providing for more than one unaffiliated owner of the company issuing the policy or by providing that a portion of the coverage furnished will be obtained from some unaffiliated insurer or reinsurer.

Section 10. Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article VI does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though the person may also be a specified person as defined in Section 1. The Corporation shall have the power to indemnify such a trustee, investment manager, or other fiduciary to the extent permitted by Section 207(f) of the California General Corporation Law.

Section 11. Amendment to General Corporation Law. The Corporation may also indemnify specified persons under other or additional circumstances and in other or additional amounts in accordance with amendments to the California General Corporation Law as enacted from time to time.

## ARTICLE VII. EMERGENCY PROVISIONS

Section 1. General. The provisions of this Article VII shall be operative only during a national emergency declared by the President of the United States or the person performing the President's functions, or in the event of a nuclear, atomic or other attack on the United States or a disaster making it impossible or impracticable for the Corporation to conduct its business without recourse to the provisions of this Article VII. Said provisions in such event shall override all other Bylaws of this Corporation in conflict with any provisions of this Article and shall remain operative so long as it remains impossible or impracticable to continue the business of the Corporation otherwise, but thereafter shall be inoperative; provided that all actions taken in good faith pursuant to such provisions shall thereafter remain in full force and effect unless and until revoked by action taken pursuant to the provisions of the Bylaws other than those contained in this Article VII.

Section 2. Unavailable Directors. All Directors of the Corporation who are not available to perform their duties as Directors by reason of physical or mental incapacity or for any other reason or who are unwilling to perform their duties or whose whereabouts are unknown shall automatically cease to be Directors, with like effect as if such persons had resigned as Directors, so long as such unavailability continues.

Section 3. Authorized Number of Directors. The authorized number of Directors shall be the number of Directors remaining after eliminating those who have ceased to be Directors pursuant to Section 2, or the minimum number required by law, whichever number is greater.

Section 4. Quorum. The number of Directors necessary to constitute a quorum shall be one-third of the authorized number of Directors as specified in the foregoing section, or such other minimum number as, pursuant to the law or lawful decree then in force, it is possible for the Bylaws of a corporation to specify.

Section 5. Creation of Emergency Committee. In the event the number of Directors remaining after eliminating those who have ceased to be Directors pursuant to Section 2 is less than the minimum number of authorized Directors required by law, then until the appointment of additional Directors to make up such required minimum, all the powers and authorities which the Board of Directors could by law delegate, including all powers and authorities which the Board of Directors could delegate to a committee, shall be automatically vested in an emergency committee, and the emergency committee shall thereafter manage the affairs of the Corporation pursuant to such powers and authorities and shall have all such other powers and authorities as may by law or lawful decree be conferred on any person or body of persons during a period of emergency.

Section 6. Constitution of Emergency Committee. The emergency committee shall consist of all the Directors remaining after eliminating those who have ceased to be Directors pursuant to Section 2, provided that such remaining Directors are not less than three in number. In the event such remaining Directors are less than three in number, the emergency committee shall consist of three persons, who shall be the remaining Director or Directors and either one or two officers or employees of the Corporation as the remaining Director or Directors

may in writing designate. If there is no remaining Director, the emergency committee shall consist of the three most senior officers of the Corporation who are available to serve, and if and to the extent that officers are not available, the most senior employees of the Corporation. Seniority shall be determined in accordance with any designation of seniority in the minutes of the proceedings of the Board of Directors, and in the absence of such designation, shall be determined by rate of remuneration. In the event that there are no remaining Directors and no officers or employees of the Corporation available, the emergency committee shall consist of three persons designated in writing by the shareholder owning the largest number of certificates of record as of the date of the last record date.

Section 7. Powers of Emergency Committee. The emergency committee, once appointed, shall govern its own members thereof beyond the original number, and in the event of a vacancy or vacancies therein, arising at any time, the remaining member or members of the emergency committee shall have the power to fill such vacancy or vacancies. In the event at any time after its appointment all members of the emergency committee shall die or resign or become unavailable to act for any reason whatsoever, a new emergency committee shall be appointed in accordance with the foregoing provisions of this Article VII.

Section 8. Directors Becoming Available. Any person who has ceased to be a Director pursuant to the provisions of Section 2 and who thereafter becomes available to serve as a Director shall automatically become a member of the emergency committee.

Section 9. Election of Board of Directors. The emergency committee shall, as soon after its appointment as is practicable, take all requisite action to secure the election of a Board of Directors, and upon such election all the powers and authorities of the emergency committee shall cease.

Section 10. Termination of Emergency Committee. In the event, after the appointment of an emergency committee, a sufficient number of persons who ceased to be Directors pursuant to Section 2 become available to serve as Directors, so that if they had not ceased to be Directors as aforesaid, there would be enough Directors to constitute the minimum number of Directors required by law, then all such persons shall automatically be deemed to be reappointed as Directors and the powers and authorities of the emergency committee shall be at an end.

## ARTICLE VIII. AMENDMENTS

Section 1. Amendment by Shareholders. New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the Corporation set forth the number of authorized Directors of the Corporation, then the authorized number of Directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. Amendment by Directors. Subject to the rights of the shareholders as provided in Section 1 of this Article VIII, Bylaws, other than a Bylaw or an amendment of a Bylaw changing the authorized number of Directors (except to fix the authorized number of

Directors pursuant to a Bylaw providing for a variable number of Directors), may be adopted, amended or repealed by the Board of Directors.

Section 3. Record of Amendments. Whenever an amendment or new Bylaw is adopted, it shall be copied in the Minute Book with the original Bylaws. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written consent was filed, shall be stated in said Minute Book.

#### ARTICLE IX. INTERPRETATION

Reference in these Bylaws to any provision of the California Corporations Code, the California General Corporation Law or the California Insurance Code shall be deemed to include all amendments thereof.

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FILED

Secretary of State  
State of California

SEP 12 2014

2065822  
ARTICLES OF INCORPORATION  
(REDOMESTICATION)  
OF

CASTLEPOINT NATIONAL INSURANCE COMPANY  
(An Existing Illinois Corporation)

PURSUANT TO THE PROVISIONS OF  
SECTION 709.5 OF THE CALIFORNIA INSURANCE CODE AND  
SECTIONS 180.5 AND 201.6 OF THE CALIFORNIA CORPORATIONS CODE

CASTLEPOINT NATIONAL INSURANCE COMPANY, a corporation organized under the laws of the State of Illinois (the "Corporation"), for the purpose of continuing its existence, without interruption, as a corporation organized under the laws of the State of California, does hereby elect, pursuant to California Insurance Code section 709.5 and California Corporations Code sections 180.5 and 201.6, to become redomesticated and reincorporated as a California corporation. Upon the taking effect of these Articles of Incorporation, the Corporation shall be and continue to be possessed of all rights, privileges, franchises and powers to the same extent as if it had been originally incorporated under the laws of the State of California; and all rights, privileges, franchises and powers belonging to the Corporation, and all property, real, personal, and mixed, all debts due on whatever account, all certificates of authority, agent appointments, outstanding insurance policies, capital structure and all choses in action, shall be, and the same are hereby, ratified, approved, confirmed and assured to the Corporation with like effect and to all intents and purposes as if it had been originally incorporated under the laws of the State of California. Without limitation of the foregoing, the Corporation shall be given recognition as a domestic insurance company of the State of California for all purposes from and after the date of its initial authorization as a domestic insurer under the laws of California.

For the purpose of setting forth its charter as a California corporation, the Corporation hereby adopts the following Articles of Incorporation:

ARTICLE I

The name of the Corporation is CastlePoint National Insurance Company.

ARTICLE II

(a) The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

(b) The business of the Corporation is to be an insurer, subject to the provisions of the California Insurance Code.

(c) The Corporation is organized to transact any class of insurance specifically authorized by its California Certificate of Authority, which classes are as follows: Automobile; Boiler and Machinery; Burglary; Fire; Liability; Marine; Miscellaneous; Plate Glass; Sprinkler; Surety; and Workers' Compensation. The Corporation is not authorized to transact the following classes of insurance: Life; Disability; Title; Common Carrier Liability; Credit; Team and Vehicle; Mortgage; Aircraft; Mortgage Guaranty; Insolvency; Legal; or Financial Guaranty.

### ARTICLE III

The name and complete business address in the State of California of the Corporation's initial agent for service of process is as follows: Linda Poe, 3 Park Plaza, Suite 300, Irvine, California 92614.

### ARTICLE IV

The Corporation is authorized to issue 800,000 shares of common stock of one class. The par value of each share is \$14.00.

### ARTICLE V

(a) The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

(b) The Corporation shall indemnify and hold harmless any officer or director of the Corporation to the fullest extent permitted under California Corporations Code § 317 or any successor provision, as the same may be amended from time to time, and as set forth in the bylaws of the Corporation. The Corporation may indemnify and hold harmless any employee or agent of the Corporation to the same extent as any officer or director. Notwithstanding the foregoing, the Corporation shall not be required to indemnify a person in connection with a proceeding initiated by such person, including a counterclaim or crossclaim, unless the proceeding was authorized by the Board of Directors. The Corporation is authorized to provide indemnification of agents (as defined in California Corporations Code § 317) for breach of duty to the Corporation and its shareholders through bylaw provisions or through agreements with the agents, or otherwise, in excess of the indemnification otherwise permitted by California Corporations Code § 317, subject to the limits on such excess indemnification set forth in California Corporations Code § 204.

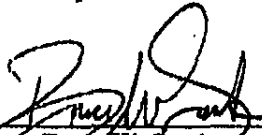
(c) Any amendment, repeal or modification of any provision of this Article V shall not adversely affect any right or protection of any officer or director of the Corporation existing at the time of such amendment, repeal or modification.

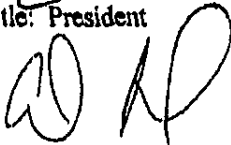
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ARTICLE VI

The initial street and mailing address of the Corporation is 3 Park Plaza, Suite 300,  
Irvine, California 92614.

IN WITNESS WHEREOF, the undersigned President and Secretary have executed this  
instrument on this 12<sup>th</sup> day of September, 2014

  
\_\_\_\_\_  
Name: Bruce W. Sanderson  
Title: President

  
\_\_\_\_\_  
Name: Elliot S. Orol  
Title: Secretary

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## Illinois Department of Insurance

PAT QUINN  
Governor

ANDREW BORON  
Director

September 12, 2014

Mr. John Finston  
Deputy Insurance Commissioner  
California Department of Insurance  
45 Fremont Street, 24<sup>th</sup> Floor  
San Francisco, CA 94105

RE: CastlePoint National Insurance Company

Dear Mr. Finston:

Please be advised that the Illinois Department of Insurance has no objections to the proposed redomestication of the above company from Illinois to California.

As we discussed in yesterday's call with you and pursuant to the September 10, 2014 Boles, Schiller & Flexner letter to Benjamin Lawsky (which Cindy Bordelon forwarded to you today), one of the two conditions of Illinois allowing Castlepoint to redomesticate to California was for Castlepoint and ACP Re to agree in writing to permit the Illinois Department of Insurance to continue its examination of Castlepoint post-acquisition and to submit to annual financial examinations by Illinois that will include the disclosure of information and documents from ACP Re related to its financial condition and corporate governance at the companies' expense. We look forward to working with California on these examinations.

Once California has approved the redomestication, we will require a certified copy of the Articles of Redomestication along with a copy of their amended certificate of authority to convert their licensure status from an Illinois domestic insurer to a foreign insurer to complete the transaction.

Sincerely,

A handwritten signature in black ink, appearing to be 'A. B.', followed by a horizontal line.

Andrew Boron  
Director of Insurance



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STATE OF CALIFORNIA

DAVE JONES, Insurance Commissioner

**DEPARTMENT OF INSURANCE**

CORPORATE AND REGULATORY AFFAIRS  
45 FREMONT STREET, 24<sup>TH</sup> FLOOR  
SAN FRANCISCO, CA 94105  
(415) 538-4129



PDF copy via electronic mail to Rosenfield, Michael [mrosenfield@sidley.com]

September 9, 2014

Mr. Michael Rosenfield  
Counsel  
Sidley Austin LLP  
555 West Fifth Street  
Los Angeles, CA 90013

RE: Castlepoint National Ins. Co. - Application to amend Certificate of Authority -  
Redomesticate From Illinois to California; APP-2014-01032; IDB # 14-5883

Dear Mr. Rosenfield:

On September 3, 2014 the California Department of Insurance ("CDI") accepted for filing an application from Castlepoint National Ins. Co. ("Castlepoint") in connection with its redomestication from Illinois to California. The redomestication is in connection with a series of transactions wherein Castlepoint's ultimate controlling person, Tower Group International, Ltd., will be acquired by ACP Re, Ltd., AmTrust Financial Services, Inc., and National General Holdings Corp. The acquisition is the subject of a Form A application currently pending with the CDI and other state insurance regulators.

Subject to the following conditions, the CDI hereby approves Castlepoint's application to amend its Certificate of Authority and redomesticate from Illinois to California.

1. Illinois must also approve the redomestication.
2. Castlepoint must comply with the requirements of the California Insurance Code ("CIC"), including but not limited to the following:
  - a. CIC Sections 1100 and 1104.9;
  - b. the filing and other requirements of the California Holding Company Act (including, without limitation, CIC sections 1215.1, 1215.4, and 1215.5);
  - c. the restrictions on certain securities set forth in CIC sections 1104.2 - 1104.8;

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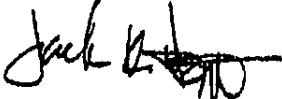
Mr. Michael Rosenfield  
Re: Castlepoint National Ins. Co.  
Amend CA - redomestication  
September 9, 2014  
Page 2

- d. the California proxy requirements set forth in CIC section 1140.5;
- e. the California investment laws set forth in CIC sections 1170-1212 and 1240-1241;
- f. the California dividend law set forth in CIC section 1152;

This approval is granted upon express reliance upon the documents submitted and the representations made by Castlepoint. The CDI will send the amended Certificate of Authority to you some time in the next week or so. Should you have any questions about this letter, please do not hesitate to contact me.

Thank you.

Sincerely,



Jack K. Hom  
Attorney III

CC: Steven Galet, James Kim - FAD  
Valerie J. Sarfaty, Assistant Chief Counsel

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No. 3084-3

STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
SAN FRANCISCO

Amended

**Certificate of Authority**

THIS IS TO CERTIFY that, pursuant to the Insurance Code of the State of California,

**CastlePoint National Insurance Company**

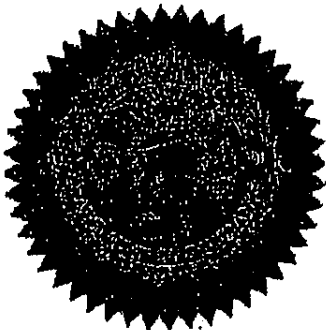
*of California, organized under the laws of California, subject to its Articles of Incorporation or other fundamental organizational documents, is hereby authorized to transact within this State, subject to all provisions of this Certificate, the following classes of insurance:*

**Fire, Marine, Surety, Plate Glass, Liability, Workers' Compensation,  
Boiler and Machinery, Burglary, Sprinkler, Automobile, and Miscellaneous**

*as such classes are now or may hereafter be defined in the Insurance Laws of the State of California.*

THIS CERTIFICATE is expressly conditioned upon the holder hereof now and hereafter being in full compliance with all, and not in violation of any, of the applicable laws and lawful requirements made under authority of the laws of the State of California as long as such laws or requirements are in effect and applicable, and as such laws and requirements now are, or may hereafter be changed or amended.

IN WITNESS WHEREOF, effective as of the 10<sup>th</sup> day of September, 2014, I have hereunto set my hand and caused my official seal to be affixed this 10<sup>th</sup> day of September, 2014.



Dave Jones  
Insurance Commissioner

*Valerie Barfaty*

Valerie Barfaty  
for Nettie Hoge  
Chief Deputy

By

**NOTICE:**

Qualification with the Secretary of State must be accomplished as required by the California Corporations Code promptly after issuance of this Certificate of Authority. Failure to do so will be a violation of Insurance Code section 701 and will be grounds for revoking this Certificate of Authority pursuant to the covenants made in the application therefor and the conditions contained herein.

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**TOWER GROUP  
COMPANIES**

September 12, 2014

California Secretary of State  
1500 11th Street  
Sacramento, California 95814

**Re: Notice of Intent to Redomesticate by  
CastlePoint National Insurance Company (C2065822)**

Dear Sir or Madam:

This correspondence is provided pursuant to Section 709.5(d) of the California Insurance Code to notify you that CastlePoint National Insurance Company, an insurance company incorporated in Illinois, intends to redomesticate to California and will be filing Articles of Incorporation in connection therewith.

Sincerely,

Elliot S. Orol  
Secretary



I hereby certify that the foregoing  
transcript of 8 page(s)  
is a full, true and correct copy of the  
original record in the custody of the  
California Secretary of State's office.

SEP 15 2014 <sup>N</sup>

Date: \_\_\_\_\_

*Debra Bowen*  
DEBRA BOWEN, Secretary of State