

**BYLAWS
OF
SOUTH BRUNSWICK ISLANDS ROTARY FOUNDATION**

**ARTICLE I
Name and Offices**

- 1. Name.** The name of this Corporation is South Brunswick Islands Rotary Foundation.
- 2. Principal Office.** The Principal Office of the Corporation shall be in Brunswick County, North Carolina.
- 3. Registered Office.** The Registered Office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the Principal Office. The address of the Registered Office may be changed from time-to-time by the Board of Trustees.
- 4. Other Offices.** The corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Trustees, from time- to-time, may determine, or as the affairs of the corporation may require.

**ARTICLE II
Members and Meetings of Members**

- 1. Membership.** The members of the Corporation shall consist of those individuals who are active members in good standing of the Rotary Club of South Brunswick Islands, and Membership in this Corporation shall terminate when Membership in Rotary Club of South Brunswick Islands terminates.
- 2. Rights of Members.** The right of a Member to vote and all his/her rights, title, and interest in or to the Corporation shall cease on the termination of his/her membership. No Member shall be entitled to share in the distribution of the corporate assets upon the dissolution of the Corporation.
- 3. Resignation of Members.** Any Member may resign from the Corporation by delivering a written resignation to the President or Secretary of the Corporation.
- 4. Termination of Membership.** Any Member may have his/her membership terminated by the affirmative vote of two-thirds (2/3rds) of the entire Membership.
- 5. Voting Rights.** Members shall each be entitled to one (1) vote each. Members shall be entitled to vote on all matters as to which members may be entitled to vote under the North Carolina Nonprofit Corporation Act, unless specifically provided otherwise in these Bylaws, or the Articles of Incorporation.
- 6. Annual Meeting.** The Annual Meeting of members of the Corporation shall be held at least

once a year. The Annual Meeting of members shall be held at such date and time as may be determined on an annual basis by the Board of Trustees and stated in the notice of such members' meeting. The Annual Meeting of members shall be held for the purpose of electing Trustees of the Corporation, and for such other purposes as may be included in the notice of such meeting.

7. Special Meetings. Special meetings of the members may be called at any time by (a) the President, (b) the Board of Trustees of the Corporation, or (c) the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed in such request to be considered at the meeting, and in which case shall be noticed by the Secretary of the Corporation and the meeting shall be held within thirty (30) days of receipt of a written request signed, dated, and received by the Secretary. The signatures on a petition requesting a special meeting shall be valid for a period of ninety (90) days after the date of the first signature. The member-written request for a special meeting shall: (1) specify the purposes for which the meeting is to be held; (2) the purposes listed must be items upon which the members have the right to vote; and (3) be delivered to the Secretary in writing.

8. Notice of Meetings. Notice of meetings of members shall be given by the President, Secretary, or other person calling the meeting by any means that is fair and reasonable, and for this purpose, written or printed notice stating the time, place, and date of the meeting shall be delivered by hand-delivery, electronic mail, or by United States mail (postage prepaid) not less than ten (10) nor more than thirty (30) days before the date thereof, to each member of record entitled to vote at such meeting, unless the North Carolina Nonprofit Corporation Act or the Corporation's Articles of Incorporation require that such notice be given to all members with respect to such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the member at the member's address as it appears on the current record of members of the Corporation, with postage thereon prepaid. For this purpose, a member's address shall be the mailing address designated in writing by the member to the Secretary of the Corporation. If sent electronically, such notice shall be deemed effective when sent to the recipient, correctly addressed to the member at the member's email address as it appears on the current record of the members of the Corporation, without the sender receiving a failed email delivery return notice.

The notice of any meeting shall state the items on the agenda, including a summary or copy of any proposed amendment to the Bylaws or Articles of Incorporation; any budget changes, and any proposal to remove a Trustee or officer, and shall include any other matters and a copy or summary of any proposed action that expressly is required by the provisions of the North Carolina Nonprofit Corporation Act. Only those matters which are stated in the notice may be acted upon at a meeting of members.

Also, notice of an annual, regular, or special meeting of members shall give notice of any matter a member intends to raise at the meeting if the Corporation receives a written request of any matter the member intends to raise by members entitled to call a special meeting pursuant to Section 5 ("Special Meetings") of this Article, and such written request is received by the Secretary or President of the Corporation at least ten (10) days before the Corporation gives notice of such meeting.

If any meeting of members is adjourned by the vote of a majority of votes cast on the motion to adjourn to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment and if a new record date is not fixed for the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed pursuant to North Carolina law, notice of the adjourned meeting must be given as provided in this Section to the members of record entitled to vote at the meeting as of the new record date.

9. Waiver of Notice of Meetings. Any member may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the member, and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A member's attendance, in person or by proxy at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the member or the member's proxy at the beginning of the meeting objects to holding the meeting or transacting business thereat, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member or the member's proxy objects to considering the matter before it is voted upon.

10. Quorum. Unless provided otherwise by the Corporation's Articles of Incorporation or these Bylaws, one-third of the votes entitled to be cast on a matter, represented in person or by proxy, shall constitute a quorum on that matter at the opening of a meeting of members. Once a member is present or represented by proxy for any purpose at a meeting, such member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date (set forth in Section 9 below) is or must be set for that adjourned meeting under the North Carolina Nonprofit Corporation Act.

11. Record Date to Determine Members and List of Members. The record date for determining which persons are members and therefore entitled to vote shall be the close of business on the seventieth (70th) day prior to the date of the meeting, unless the Board of Trustees shall determine a record date closer to the meeting date. The Board of Trustees is not permitted to set a record date retroactively. The membership list shall be current as of the record date. Before each meeting of members, the Corporation shall prepare an alphabetical list of the members entitled to notice of the meeting and entitled to vote at the meeting, showing each such member's address and the number of votes each such member is entitled to cast at the meeting. As a part of the aforementioned membership list and prepared on the same basis, the Corporation shall list, current through the time of the membership meeting, a list of members, if any, who are entitled to vote at the meeting, but not entitled to notice of the meeting. The list shall be kept on file at the principal office of the Corporation for the period beginning two (2) business days after notice of the meeting is given and continuing through the meeting, and shall be available for inspection by any member, personally or by or with such member's representative, at any time prior to the meeting. A determination of members entitled to notice of, or to vote at, a membership meeting is effective for any adjournment of the meeting unless the Board of Trustees fixes a new date for determining the right to notice or the right to vote, which the Board of Trustees shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

12. Conduct of Meetings. The President shall preside over all meetings of the Corporation and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Corporation.

13. Manner of Voting. Voting by members at a meeting shall be by voice vote or a show of hands unless any member present at the meeting requests, and by an affirmative vote of a majority of the votes cast the members consent to, a vote by written ballots. Except for the election of Trustees as provided in Section 1 of Article III herein, if a quorum is present, action on a matter at a meeting of members shall be deemed approved if approved by the affirmative vote of a majority of the votes cast, unless a greater vote is required by the North Carolina Nonprofit Corporation Act, the Corporation's Articles of Incorporation, or the Bylaws.

14. Proxies. Members may vote either in person or by an agent authorized by written proxy signed by the Member. A proxy is void if not dated. A proxy shall be valid for six (6) months unless a shorter term is provided therein. All proxies shall be filed with the Secretary of the Corporation. A proxy given by a member may be revoked by such member by giving actual notice of its revocation to the person presiding over a meeting of the Corporation in oral or written form.

15. Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Corporation delivers a written ballot to every Member entitled to vote on the matter. A written ballot shall: (a) set forth each proposed action, (b) provide an opportunity to vote for or against each proposed action, and (c) indicate the time by which a ballot shall be received by the Corporation in order to be counted. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast. A written ballot may not be revoked.

ARTICLE III

Trustees

1. Number, Election of Trustees, and Terms of Office of Trustees.

(a) **Election of Trustees.** The number of Trustees of the Corporation shall be at least five (5) and no more than eleven (11). Except as provided in Section 3 hereof, the Trustees shall be elected at the Annual Meeting of members; those persons who receive the highest number of votes by the members entitled to vote in the election at a meeting at which a quorum is present shall be deemed to have been elected. The Board of Trustees of the Corporation be referred to herein from time-to-time as the "Board".

(b) **Terms of Trustees.** Except as specifically provided below, each Trustee shall hold office for a term of three (3) years or until such Trustee's death, resignation, retirement, removal or disqualification. Despite the expiration of a Trustee's term, the Trustee continues to serve as such until the Trustee's successor is elected and qualifies, or there is a decrease in the number of Trustees. The term of the first board elected by the membership shall be staggered as follows: Two (2) nominees shall be elected for a term of three (3) years each; two (2) nominees shall be elected for a term of two (2) years each; and one (1) nominee shall be elected for a term of one (1) year. If the number of Trustees is increased, the term(s) of newly elected Trustee(s) will be staggered to provide for a balanced rotation schedule. Except for Trustees elected to fill a vacancy (who shall hold office until the expiration of the term of the person they are replacing), or are being newly added, all Trustees elected by member vote after the first meeting shall hold office for a term of three (3) years. No Trustee may serve more than two (2) consecutive terms.

2. Election Procedures and Qualifications.

(a) **Nominations Committee.** Nominations for election to the Board of Trustees of the Trustees may be made by a Nominations Committee. If appointed by the Board of Trustees, the Nominations Committee shall develop election procedures and administer such procedures as are approved by the Board of Trustees providing for election of Trustees by members at the Annual Meetings, and, where appropriate, at special meetings. If appointed, the Nominations Committee shall serve from the date of their appointment through the close of the Annual Meeting or, where appropriate, the special meeting, at which the election for members of the Board of Trustees is to be held.

(b) **Nominations.** Persons qualified to be Trustees may be nominated for election by the Nominations Committee and the names of such persons nominated shall be submitted in writing to the President of the Corporation and the Board of Trustees sixty (60) days before the meeting at which the election is to be held. The Nominations Committee may make as many nominations for election to the Board of Trustees as it shall in its discretion determine but in no event less than the number of vacancies or terms to be filled. Any written nominations presented by the Nominations

Committee shall be accompanied by a statement signed by the nominees indicating the willingness of such nominees to serve as directors. Additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Board of Trustees for which no more than one person has been nominated by the Nominations Committee. If no Nominations Committee is appointed, nominations for directors may be made by the Board of Trustees and/or may be made from the floor by any member at the meeting at which the election is held for any vacancy on the Board of Trustees. Any nominee must either be present at said meeting and consent to the nomination or have indicated in writing his or her willingness to serve as a director.

(c) **Qualifications.** No person shall be eligible for election by the members of the Association as a Trustee unless such person is a member in good standing of the Corporation.

3. Voting, Quorum, and Manner of Acting. Each Trustee shall be entitled to one (1) vote on all matters that come before the Corporation. A majority of the Trustees in office immediately before a meeting begins shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

Unless a vote of greater percentage is required by the Corporation's Articles of Incorporation, these Bylaws, or the North Carolina Nonprofit Corporation Act, the act of the majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees. A Trustee who participates in a meeting by any means of communication by which all Trustees may simultaneously hear each other during the meeting shall be deemed present at a meeting for all purposes.

4. Removal or Resignation of Trustees and Filling of Vacancies.

(a) Any Trustee may be removed from office at any time with or without cause by at least a fifty-one percent (51%) vote of all members present and entitled to vote at any meeting of members at which a quorum is present. A Trustee may not be removed by the members at a meeting unless the notice of the meeting states that the purpose, or one of the purposes, of the meeting is the removal of the Trustee so removed. If any Trustees are so removed, new Trustees may be elected at the same meeting.

(b) A vacancy in the Board of Trustees caused by a removal of a Trustee by the members shall be filled by a vote of the members. A vacancy among the Trustees caused by any reason other than the removal of a Trustee by the members shall be filled by the remaining Trustees at a meeting of the Board of Trustees held for such purpose promptly after the occurrence of such vacancy. If the Trustees remaining in office do not constitute a quorum of the Board of Trustees, the Trustees may fill the vacancy by the affirmative vote of a majority of the remaining Trustees, or by the sole remaining Trustee, as the case may be. The term of a Trustee elected to fill a vacancy in a Trusteeship elected by members expires at the next election of Trustees by members, and the term of the Trustee filling any other vacancy expires at the end of the unexpired term that such Trustee is filling.

(c) A Trustee may resign at any time by giving written notice to the Board of Trustees, the President or the Secretary. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective.

5. Powers and Duties of the Board of Trustees. The business and affairs of the Corporation shall be managed and directed by the Board of Trustees. The Board of Trustees shall have all of the powers and duties necessary for the administration of the affairs of the Corporation, including, but not by way of limitation, all powers as set forth in Article 3 of Chapter 55A of the North Carolina General Statutes (North Carolina Nonprofit Corporation Act), but may not do any such acts and things which are required by the Bylaws, or the Articles of Incorporation to be exercised and done by the members; provided, however, that all such powers, duties, acts, and things shall be exercised consistent with the provisions of the Bylaws, and Articles of Incorporation.

6. Meeting of Trustees.

(a) **Types of Meetings.** Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the Trustees; provided, however, such meeting shall be held at least once during each fiscal year. Special meetings of the Board of Trustees may be called by the President, and shall be called by the President or Secretary upon the written request of at least two (2) Trustees. The President or presiding officer may call the Board of Trustees into closed session on sensitive matters such as personnel, or legal strategy. Any final action taken by the Board of Trustees in closed session shall be recorded in the minutes.

(b) **Notice.** Regular meetings of the Board of Trustees may be held without notice. The Chairperson, if any, the President, or any two (2) Trustees may call, and call and give notice of, a meeting of the Board of Trustees. The person or persons calling a special meeting of the Board of Trustees, at least two (2) days before the meeting, shall give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the Trustees to a later time without further notice.

(c) **Waiver of Notice.** Any Trustee may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the Trustee entitled to the notice, and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. The attendance by a Trustee at, or the participation of a Trustee in, a meeting shall constitute a waiver of any required notice of such meeting, unless the Trustee, at the beginning of the meeting (or promptly upon the Trustee's arrival thereat), objects to holding the meeting or to transacting any business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

(d) **Conduct of Meetings.** The President shall preside over meetings of the Board of Trustees and the Secretary shall keep the minutes of the meeting and record all

resolutions adopted at the meetings and proceedings occurring at the meetings.

7. Action by Trustees Without Meeting. Action required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting if the action is taken by all members of the Board of Trustees and evidenced by one or more written consents signed by each Trustee before or after such action, describing the action taken, and delivered to the Secretary of the Corporation for inclusion in the minutes or filing with the corporate records.

ARTICLE IV Officers

1. Designation and Duties of Officers. The principal officers of the Corporation shall be the President (who shall also serve as Chairman of the Board of Trustees), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Trustees. The Board of Trustees may also elect an assistant treasurer, an assistant secretary, and such other officers as in its judgement may be necessary. All officers shall be members of the Corporation. Each officer shall perform such duties as are normally associated with such office in parliamentary organizations and shall perform such other duties as may be assigned to such office by resolution of the Board of Trustees. If any officer is unable for any reason to perform the duties of the office, the President (or the Board of Trustees if the President fails to do so) may appoint another qualified individual to act in such officer's stead on an interim basis.

2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Trustees at the organizational meeting of each new Board of Trustees and shall hold office at the pleasure of the Board of Trustees. Any officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Each officer shall hold office for a term of one (1) year or until such officer's death, resignation, retirement, removal or disqualification, or until the election and qualification of such officer's successor.

3. Removal and Resignation. Any officer or agent may be removed by the Board of Trustees at any time with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed. An officer may resign at any time by notifying the Corporation in writing of such resignation. A resignation shall be effective upon receipt by the Corporation unless it specifies in writing a later effective date. In the event a resignation so specifies a later effective date, the Board of Trustees may fill the pending vacancy prior to such date; however, the successor to the resigning officer may not take office until the effective date. An officer's resignation does not affect the Corporation's contract rights, if any, with such officer.

4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Trustees. The individual appointed to fill a vacancy shall serve for the remainder of the term of the officer such individual replaces.

5. President. The President shall be the principal executive officer of the Corporation and,

subject to the control of the Board of Trustees, shall supervise and control the management of the Corporation in accordance with these Bylaws. The President, when present, shall preside at all meetings of members. The President, with any other proper officer, may sign any deeds, leases, mortgages, bonds, contracts or other instruments which lawfully may be executed on behalf of the Corporation, except where required or permitted by law otherwise to be signed and executed and except where the signing and execution thereof shall be delegated by the Board of Trustees to some other officer or agent. In general, the President shall perform all duties incident to the office of President and such other duties as from time-to-time may be assigned by the Board of Trustees.

6. Vice President. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice President, unless otherwise determined by the Board of Trustees, shall perform 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. Any Vice President shall perform such other duties as from time-to-time may be assigned by the President or by the Board of Trustees.

7. Secretary. The Secretary shall: keep the minutes of all meetings of the Corporation and of the Board of Trustees; have charge of such books and papers as the Board of Trustees may direct and as may be required by Article 16 of the North Carolina Nonprofit Corporation Act; give or cause to be given all notices required to be given by the Corporation; maintain a register setting forth the place to which all notices to members hereunder shall be delivered; make it possible for any member to inspect and copy at reasonable times and by appointment the records of the Corporation in accordance with and as required by the North Carolina Nonprofit Corporation Act; and, in general, perform all the duties incident to the office of Secretary.

8. Assistant Secretary. In the absence of the Secretary or in the event of the Secretary's death, inability or refusal to act, the Assistant Secretary, unless otherwise determined by the Board of Trustees, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. The Assistant Secretary shall perform such other duties as from time-to-time may be assigned by the Secretary, by the President, or by the Board of Trustees.

9. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Trustees. The Treasurer shall maintain appropriate accounting records as may be required by law and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned by the President or by the Board of Trustees.

10. Assistant Treasurer. In the absence of the Treasurer or in the event of the Treasurer's death, inability or refusal to act, the Assistant Treasurer, unless otherwise determined by the Board of Trustees, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. The Assistant Treasurer shall perform such other duties as from time-to-time may be assigned by the Treasurer, by the President, or by the Board of Trustees.

ARTICLE V Committees

1. Committees of the Board of Trustees. The Board of Trustees, by resolution of a majority of the number of Trustees in office, may designate two or more Trustees to constitute an Executive Committee and such other committees as the Board of Trustees shall deem advisable, each of which, to the extent authorized by the North Carolina Nonprofit Corporation Act and provided in such resolution, shall have and may exercise all of the authority of the Board of Trustees in the management of the Corporation. Each committee member serves at the pleasure of the Board of Trustees. The provisions of these Bylaws governing meetings, action without meeting, notice and waiver of notice, and quorum and voting requirements of the Board of Trustees apply to any committees of the Board of Trustees established pursuant to this Section. The designation of any committee of the Board of Trustees and the delegation thereto of the Board of Trustees' authority shall not operate to relieve the Board of Trustees, or any member thereof, of any responsibility imposed upon him or her by law.

2. Other Committees. Other committees not having and exercising the authority of the Board of Trustees in the management of the Corporation may be designated by resolution adopted by a majority of the Trustees present at a meeting at which a quorum is present. Such committee shall have such duties and responsibilities as may be set forth in the resolution designating the committee. For committees set up under this Section 2 to which decision making authority is delegated by the Board of Trustees, the provisions of these Bylaws governing meetings, action without meeting, notice and waiver of notice, quorum and voting requirements of the Board of Trustees shall apply to any such committees. Further, such committees shall keep a written record of actions taken by such committees.

ARTICLE VI Indemnification and Other Trustee and Officer Issues

1. Execution of Documents. Unless as may otherwise be provided in a resolution of the Board of Trustee, all agreements, contracts, deeds, leases, checks and other instruments of the Corporation for expenditures or obligations for expenses and all checks drawn upon reserve accounts, shall be executed by any two (2) individuals designated by the Board of Trustees.

2. Indemnification. The Corporation shall indemnify, to the fullest extent permitted by law and this Article, any person who is or was a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (and any appeal therein), whether civil, criminal, administrative, arbitratve, or investigative and whether or not brought by or on behalf of the Corporation, by reason of the fact that such person is or was a Trustee, officer, or committee member of the Corporation, or is or was serving at the request of the Corporation as a Trustee, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise or as a trustee or administrator under an employee benefit plan, or arising out of such party's activities in any of the foregoing capacities, against all liability and litigation expense, including reasonable attorneys' fees;

PROVIDED, HOWEVER, THAT the Corporation shall not indemnify any such person against liability or expense incurred on account of such person's activities which were, at the time taken, known or believed by such person to be clearly in conflict with the best interests of the Corporation or if such person received an improper personal benefit from such activities. The Corporation likewise shall indemnify any such person for all reasonable costs and expenses (including attorneys' fees) incurred by such person in connection with the enforcement of such person's right to indemnification granted herein.

The Corporation shall pay all expenses incurred by any claimant hereunder in defending a civil or criminal action, suit, or proceeding as set forth above in advance of the final disposition of such action, suit, or proceeding upon receipt of and undertaking by or on behalf of such claimant to repay such amount unless it ultimately shall be determined that such claimant is entitled to be indemnified by the Corporation against such expenses.

The Board of Trustees of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Bylaw, including without limitation, (a) a determination by a majority vote of disinterested Trustees (i) that the activities giving rise to the liability or expense for which indemnification is requested were not, at the time taken, known or believed by the person requesting indemnification to be clearly in conflict with the best interests of the Corporation and (ii) that the person requesting indemnification did not receive an improper personal benefit from the activities giving rise to the liability or expense for which indemnification is requested, and (b) to the extent needed, giving notice to the members of the Corporation.

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

3. Compensation of Trustees and Officers. No salary or other compensation shall be paid by the Corporation to any Trustee or officer of the Corporation for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by any person serving as a Trustee or officer for services provided to the Corporation in a capacity other than that of Trustee or officer nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a Trustee or officer.

ARTICLE VII Books and Records

1. Maintenance of Books and Records and Financial Review. The Association shall keep books and records as required by Article 16 of the North Carolina Nonprofit Corporation Act. The Corporation may cause to be adopted procedures for such level of financial review and compilation of the Association as the Board of Trustees may determine appropriate, which

may include an audit or some lesser level of review.

2. Availability. The books and records of the Corporation shall be available for inspection by the members and their attorneys and accountants pursuant to the terms and conditions of Article 16 of the North Carolina Nonprofit Corporation Act.

3. Fiscal Year. The fiscal year of the Corporation shall commence on January 1 of each year and end on December 31.

ARTICLE VIII Amendments to Bylaws

The Board of Trustees shall have power to make, alter, amend, and repeal the Bylaws of the Corporation by affirmative vote of a majority of the Board, provided, however, that the action is proposed at a Regular or Special Meeting of the Board and Adopted at a subsequent Regular Meeting, except as otherwise provide by Law. In addition, the Bylaws may be altered, amended, or repealed at any Meeting of Members of the Corporation by a majority vote of all the Members of the Corporation, represented either in person or by proxy, provided that the proposed actions are inserted in the notice of such Meeting.

ARTICLE IX Exempt Activities

Notwithstanding any other provision of these Bylaws, no Member, Trustee, Officer, employee, or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c) (3) of the Internal Revenue Code and its Regulations; as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.