

**BYLAWS  
OF  
ALAMANCE COUNTY AREA CHAMBER OF COMMERCE, INC.**

**Adopted April 19, 2006**

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**ARTICLE 1**

**NAME AND OFFICES**

**Section 1.1 NAME.** The name of this Corporation is "ALAMANCE COUNTY AREA CHAMBER OF COMMERCE, INC."

**Section 1.2 OFFICES.** The headquarters and principal office of this Corporation shall be in Alamance County in the State of North Carolina. The Corporation may establish other offices as the Board of Directors may determine from time to time.

**ARTICLE 2  
PURPOSES OF THE CORPORATION**

The purposes for which this Corporation is formed are those set out in its Articles of Incorporation and shall further include the following. The purposes of this Corporation shall be to advance the civic, commercial, industrial, professional, and agricultural welfare of Alamance County and its political subdivisions; to acquire, preserve and distribute civic, commercial and industrial information of value; to facilitate intelligent discussion of and concerted action upon matters of public concern; to discover and correct abuses affecting the interests and rights of its Members and the community; and to provide such facilities and to do such things as will promote these objectives.

This Corporation is not organized for profit. The net earnings of the Corporation shall be devoted exclusively to purposes of the Corporation and shall not inure to the benefit of any officer or director of this Corporation, nor to any private person or individual having a personal or private interest in the activities of this Corporation. This Corporation will observe all laws at the local, state and national level which apply to non-profit organizations.

**ARTICLE 3  
MEMBERSHIP**

**Section 3.1 ACTIVE MEMBERSHIP.** Any qualified person, firm, partnership, corporation, association or any other legal entity of good repute interested in the welfare of Alamance County shall be eligible for active Membership under such conditions as the Board of Directors may prescribe.

**Section 3.2 HONORARY MEMBERSHIP.** The Board of Directors may elect to honorary Membership any person who has rendered distinguished service to the community, the State of North Carolina, the United States of America or the Alamance County Chamber of

Commerce. Honorary Membership shall include all the privileges of active Membership, except that of holding office, with exemption from payment of dues.

**Section 3.3 APPLICATIONS.** Every person, firm, partnership, corporation or association desiring to become a Member shall sign an application for Membership, as such application shall be modified from time to time by the Corporation.

**Section 3.4 RIGHT TO REFUSE APPLICATION.** The Board of Directors or the Executive Committee shall have the right to refuse any such application for any reason which to them shall seem sufficient and lawful; provided, however, that such refusal shall be by a majority vote of those present at a duly called meeting at which there shall be a quorum.

**Section 3.5 OBSERVANCE OF BYLAWS AND REGULATIONS.** By signing an application for Membership or otherwise submitting an application for Membership to the Corporation, the applicant agrees to fulfill all requirements, to conform to the Bylaws, and to comply with such rules and regulations as the Board of Directors may from time to time adopt.

**Section 3.6 DUES.**

- (a) Minimum dues shall be determined by the Board of Directors and may be changed from time to time to reflect the changes in the economic conditions of the area and the needs of the Corporation. In order to obtain the revenue necessary for financing the Corporation's programs and activities, the Board shall develop, or have developed, a plan of Membership dues that will produce sufficient revenue in a fair and equitable manner from the Members.
- (b) Membership dues shall include such publications and other benefits of Membership as shall be fixed by the Board from time to time, and the Membership shall not be liable further to the Corporation for or on account of any corporate debts.
- (c) Annual Membership dues shall be payable in advance annually, semi-annually or upon such other periodic basis as shall be prescribed from time to time by the Board.

**Section 3.7 TERMINATION.** Any Member may resign from Membership by giving notice in writing. Resignation shall not relieve any Member from liability for any dues accrued and unpaid at the time such resignation is submitted to the Corporation. Death or dissolution of the Member shall constitute a resignation under this Section.

**Section 3.8 DELINQUENCY.** Any Member whose dues remain unpaid for a period of three (3) months following written notice of the due date for such dues shall be delinquent. Thereupon, the Corporation shall mail to the delinquent Member a bill covering the unpaid dues and a copy of this section. If the dues remain unpaid for a period of thirty (30) days thereafter, the name of the delinquent Member shall be reported to the Executive Committee and such Member shall be dropped from Membership without further notice. The Board of Directors may set the dates (i) upon which the initial notice of dues shall be sent to Members

to begin the three (3) month period set forth in this Section and (ii) the date upon which payment is due for any Member dues (the "Payment Due Date"); provided, however, that each Member shall have at least thirty (30) days from the Payment Due Date to pay such dues before the Member shall be dropped from the Membership of the Corporation.

**Section 3.9 EXPULSION.** If any Member shall at any time be deemed to have committed any act which is prejudicial to the Corporation or to the purpose set forth hereinabove, as determined by the Board in its sole discretion, such Member shall, upon two (2) days written notice, be given a hearing by the Executive Committee. The time, place and manner in which such hearing is conducted shall be determined in the sole discretion of the Executive Committee. By a two-thirds (2/3) vote of the Members of the Executive Committee present at such hearing at which a quorum is present, the Member may be expelled from Membership in the Corporation. Any Member so expelled may, within thirty (30) days of receipt of written notice of the of the vote of the Executive Committee, appeal in writing to the Board of Directors. If a majority of all members of the Board of Directors present at a meeting at which a quorum is present votes to endorse the action of the Executive Committee, the action of the Executive Committee shall be final. In the event such Member fails to provide written notice of appeal within thirty (30) days as set forth above, the action of the Executive Committee shall be final.

**Section 3.10 REPRESENTATION.** Each Member who is not a natural person may designate a representative or representatives to participate in the benefits of Membership according to the provisions contained in any rules, regulations or statements of policy adopted by the Board of Directors from time to time. Such representative(s) shall be entitled to exercise all rights of Membership; provided, however, the right to designate such representative(s) or the designation of any particular representative may be revoked by the Board of Directors. The right to designate shall carry with it the right to change such representative(s) at any time upon written notice.

**Section 3.11 VOTING.** Only Members in good standing shall be entitled to vote. Only representatives of Members or Members who are natural persons are entitled to hold office. A Member whose dues are in arrears for more than three (3) months shall be ineligible to vote or to have a representative hold office.

**Section 3.12 MEETINGS.**

- (a) The annual meeting of the Members shall be held on a date to be determined by the Board of Directors. The Corporation shall send each Member notice of the annual meeting at least ten (10) days in advance.
- (b) Regular meetings of the Members shall be held as determined by the Board of Directors; provided, however, that the Board of Directors shall not be required to hold any such meeting of the Members other than the annual meeting provided hereinabove.
- (c) Special meetings of the Members may be called at any time by the Chairman or within thirty (30) days after the holders of at least ten percent (10%) of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the President or Chairman

one or more written demands for the meeting. The Corporation must send notice, including the purpose of the meeting, to each Member at least ten (10) days prior to the special meeting.

- (d) At least fifty (50) Members or ten percent (10%) of the Members in good standing, whichever is less, shall constitute a quorum.
- (e) Unless otherwise stated in these bylaws, the business of the Members may be carried out upon the vote of a majority of the Members present at a meeting at which there is a quorum.

## **ARTICLE 4 BOARD OF DIRECTORS**

**Section 4.1 GENERAL POWERS.** The business and affairs of the Corporation shall be managed and directed by, and the control and disposal of the Corporation's properties and funds shall be vested in, its Board of Directors, except as otherwise provided in the North Carolina Nonprofit Corporation Act, the Articles of Incorporation, or these Bylaws. The Board of Directors shall have such powers as is provided pursuant to the North Carolina Nonprofit Corporation Act, the Articles of Incorporation, and these Bylaws

**Section 4.2 NUMBER.** There shall be twenty-one (21) directors, including the four Vice-Chairmen set forth in these Bylaws. The Chairman, Chairman-Elect, Past Chairman, and Treasurer, and President are not Members of the Board of Directors. The governing bodies of each incorporated municipality in Alamance County and the Board of County Commissioners of Alamance County shall have the privilege of appointing annually an official representative to serve on the Board of Directors as non-voting, advisory Members.

### **Section 4.3 ELECTION.**

- (a) Nominations. No later than the end of the month of September, the Chairman shall appoint a Nominating Committee composed of the three (3) immediate past chairmen (or the three most recent past chairman available), two (2) Members of the current Board of Directors, and two (2) Members or representatives of Members of the Corporation not serving on the current Board of Directors. The most recent past chairman available shall act as the chairman of the Nominating Committee.
- (b) Candidates. Within ten (10) days after the appointment of the Nominating Committee, the Nominating Committee shall present a slate of seven (7) candidates to replace the Directors whose regular three (3) year terms are expiring, confirming the fact that personal contact with the candidates found them willing to accept the position if elected. The primary consideration in the selection of candidates shall be county-wide representation, business

classification representation and other factors deemed pertinent to an appropriate representation on the Board of Directors.

- (c) Publication. Immediately upon receipt of the report of the Nominating Committee, the President shall publish the names of the persons nominated by mailing to each of the voting Members a list of the nominees.
- (d) Petition.
  - (i) Nomination by Petition. A majority of the Members in good standing may nominate a candidate for the Board of Directors by filing with the Nominating Committee, in care of the President, a petition within seven (7) days after publication of those duly nominated. The Nominating Committee's determination of the legality of the petition shall be deemed final.
  - (ii) Election When Candidates Are Nominated by Petition. If a candidate is nominated by petition, the Membership shall have the opportunity to vote for the candidates as follows:
    - (A) Each Member in good standing may vote. No Members shall cast more than one ballot.
    - (B) The President shall mail to each Member a ballot listing the names of each candidate. The President shall also inform the Members of the address to which the ballots must be returned and the date by which the ballots must be received. The Nominating Committee shall supervise the election and its determination of the validity of the returned ballots shall be final. Voting by proxy is not permitted.
    - (C) Each Member may vote for no more than seven (7) persons. Cumulative voting is not permitted.
    - (D) The seven (7) candidates receiving the greatest number of votes shall be declared elected. In the event of a tie between one or more candidates, the Nominating shall decide determine the winner from among those tied candidates.
- (e) Election if No Nominations are Received by Petition. If no petition is filed within the designated period, the nominations shall be closed and the nominated slate of candidates shall be declared elected by the Board of Directors at their next meeting.

**Section 4.5 TERM.** Directors shall take office effective January 1<sup>st</sup> of the applicable calendar year. The Directors shall serve for a term of three (3) years, and unless re-elected by the Board of Directors, their term shall cease upon midnight on December 31<sup>st</sup> of the third calendar year from the effective date of their election (the AEffective Date@) to the Board of

Directors. No Director shall be eligible for renomination or re-election unless and until one year has passed since his/her previous term as a director. This provision does not apply to a director named to serve a vacant, unexpired term created by the death, resignation or removal of a Director.

**Section 4.6 MEETINGS.**

- (a) Meeting Times. The Board of Directors shall hold regular meetings on a day and at a time and place fixed by the Board. The meetings shall be held no less frequently than once a month, except during the months of July and August and such other months as the Board shall deem appropriate.
- (b) Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairman or upon written application of at least five (5) Members of the Board of Directors. The President shall send written notice, including the purpose of the meeting, to each director at least one (1) day prior to the special meeting. Notice of such meetings may be given by any usual means, written or electronic, including without limitation, e-mail, facsimile or U.S. mail.

**Section 4.7 NOTICE.** Notice of all regular and special meetings of the board shall be mailed, electronically transmitted (by facsimile, e-mail or such other generally accepted electronic transmission) or delivered personally to each director at least five (5) days before the meeting; but any meeting of the Board of Directors shall be a legal meeting without notice if each director, by a writing filed with the records of the meeting, waives such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any meeting of the board need be specified in the notice or waiver of notice of such meeting.

**Section 4.8 PRESUMPTION OF ASSENT.** A director who is present at a meeting of the board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting, or unless the director files a written dissent to such action with the person acting as the secretary of the meeting before the adjournment of the meeting, or unless the director forwards such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

**Section 4.9 QUORUM AND VOTING.** A majority of the elected Directors then in office shall constitute a quorum; but less than a quorum shall have power to adjourn from time to time until a quorum shall be present. Each director shall be entitled to one (1) vote and the vote of a majority of the directors present in person at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is specifically

required by these Bylaws, by the Articles of Incorporation, or by law. No director may vote or act by proxy at any meeting of directors.

**Section 4.10 ACTION WITHOUT MEETING.** Any action required or permitted to be taken at a meeting of directors (or any committee thereof) may be taken without a meeting if a consent in writing, setting forth the action so taken or to be taken, is signed by all of the directors (or committee Members) entitled to vote upon such action at a meeting. Such consent shall have the same force and effect as a unanimous vote of the Members.

**Section 4.11 RESIGNATIONS.** Officers or directors may resign at any time by giving written notice of such resignation to the Board of Directors.

**Section 4.12 REMOVAL.**

- (a) By Vote. Any director may be removed by the affirmative vote of a two-thirds (2/3) majority of the Board of Directors present at any regular or any special meeting called for that purpose and for such reason as may be satisfactory to the Board of Directors. Any Board Member proposed to be removed shall be entitled to at least ten (10) days written notice of any meeting at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.
- (b) By Absenteeism. If any elected Member of the Board of Directors shall be absent from two (2) regular monthly meetings within a fiscal year without an excuse acceptable to the Executive Committee, the Director's position shall be declared vacant and the Director shall be automatically removed if the Director does not provide the Executive Committee with an acceptable written explanation for such absences within seven (7) days of written notice from the Chairman or President of the intent to remove the Director.
- (c) By Election to Certain Offices. If an elected Member of the Board of Directors should be elected to the office of Chairman, Chairman-Elect or Treasurer, his/her seat shall be declared vacant and this vacancy shall be filled by the Board of Directors as provided in these bylaws.

**Section 4.13 VACANCIES.** The Board of Directors shall fill any vacancies of the elected Members of the Board of Directors at its next regular meeting occurring no less than seven (7) days following such vacancy or at a special meeting of the Board Directors. Any person so elected by the Board of Directors to fill any vacancy shall serve the remaining term of office left vacant by the resignation, death or removal of the prior Director.

**Section 4.14 PARLIAMENTARY PROCEDURE.** The meetings of the Board of Directors shall be conducted in accordance the Modern Rules of Order.

## **ARTICLE 5 OFFICERS**

**Section 5.1 NUMBER AND QUALIFICATION.** The officers of the Corporation shall be a Chairman, a Chairman-elect, and Immediate Past Chairman, a Treasurer, four (4) Vice-Chairman, a President, and such other officers, assistant officers and agents, assistant secretaries and assistant treasurers, as may be deemed necessary or desirable by the Corporation's Directors. One person may hold more than one office at a time, except that no person may simultaneously hold the offices of (i) Chairman and Secretary or (ii) President and Treasurer.

### **Section 5.2 ELECTION AND TERM OF OFFICE.**

- (a) Term. The Chairman, Chairman-Elect, four (4) Vice-Chairmen and Treasurer shall serve for a term of one year beginning on January 1<sup>st</sup> following their election or until their successors have been elected and duly qualified.
- (b) Nominating Committee. The same Nominating Committee designated for purposes of nominating candidates to be Directors, along with the Chairman-Elect, shall serve as the Nominating Committee for this Article. Immediately following the certification of the new Directors, the Chairman shall provide the Nominating Committee with lists of the elected Directors for the ensuing year and the current officers and request the Committee to nominate a candidate for each office to be filled. The Nominating Committee shall forward its slate of nominees to the Chairman and President within ten (10) days and no later than the November meeting of the Board of Directors.
- (c) Eligibility. The nominees to fill the offices of the four (4) Vice-Chairmen must be nominated from the members of the incoming Board of Directors. Nominees for the offices of Chairman, Chairman-elect and Treasurer may or may not be elected Members of the incoming Board of Directors. If an elected Member of the incoming Board of Directors should be elected to the office of Chairman, Chairman-elect or Treasurer, his/her seat shall be declared vacant and this vacancy shall be filled by the Board of Directors as provided in these bylaws.
- (d) Election.
  - (i) The Chairman shall notify all Members of the current and new Board of Directors to be present at the regular Board meeting in November for the purpose of electing officers for the ensuing year.
  - (ii) Additional nominations for any office may be made from the floor during the election meeting.

- (iii) If there are no nominations other than the slate presented by the Nominating Committee, the nominees shall be declared the newly-elected officers.
- (iv) If additional nominations are presented at the election meeting, the election shall be by written ballot. Each director for the ensuing year shall be entitled to one (1) vote for each officer to be elected. No cumulative voting will be permitted. The Chairman shall appoint two (2) Directors who are not nominees to count the ballots and report the results. The person with the most votes wins, whether or not such votes constitute a majority of the votes cast. In the case of a tie, additional ballots shall be taken until such time the tie is broken.

**Section 5.3 COMPENSATION.** The compensation of the officers of the Corporation shall be established from time to time by the Board of Directors. In the absence of an agreement or express authorization by the Board of Directors to the contrary, the Chairman, Chairman-Elect, Immediate Past Chairman, Treasurer and four (4) Vice-Chairman shall serve without compensation. Employees of the Corporation shall receive such compensation as may from time to time be determined by the Board of Directors. Officers and directors shall be entitled to reimbursement of reasonable expenses incurred on behalf of the Corporation. However, no reimbursement of expenses shall be made in any manner so as to result in the imposition of any tax or other liability under the Internal Revenue Code.

**Section 5.4 REMOVAL.** Any officer or agent may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

**Section 5.5 VACANCIES.** Any officer may resign at any time, subject to any rights or obligations under any existing contracts between the officer and the Corporation, by giving written notice to the Chairman or the President. An officer's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term. All nominations and elections to fill a vacancy shall be conducted in the same manner as the regular election of officers at its next regular meeting.

**Section 4.6 SURETY BONDS.** All officers and other persons who may be authorized by the Board of Directors to receive or disburse funds of the Corporation may be required to furnish bond for the faithful discharge of their duties, in such sums and with such surety and on such conditions as the Board of Directors shall from time to time determine or authorize. The expense of such bonds shall be borne by the Corporation.

## ARTICLE 6

## **DUTIES OF OFFICERS**

**Section 6.1 CHAIRMAN.** The Chairman shall be the principal officer and head of the Corporation. The Chairman of the Board shall preside at all meetings of the Members, Executive Committee and the Board of Directors. Between meetings of the Board of Directors and of the Executive Committee, he shall have general supervision of the President and the Corporation's business and affairs. The Chairman shall appoint, subject to confirmation of the Board of Directors, all standing and special committees. He shall be an ex-officio Member of all committees. He shall make annual reports showing the condition of the Corporation and make such recommendations as he may deem proper. He shall, from time to time, bring before the Board of Directors and the Executive Committee such information as they may require concerning the business and assets of the Corporation.

**Section 6.2 CHAIRMAN-ELECT.** The Chairman-Elect shall exercise the powers and authority and perform the duties of the Chairman in the absence or disability of the Chairman. He shall serve as the head of the annual business and community leaders' retreat sponsored by this Corporation and of such other committees and activities as shall be determined by the Chairman.

**Section 6.3 VICE-CHAIRMEN.** The Chairman shall assign one of the four (4) Vice-Chairmen to each of the following divisions: Community Development, Economic Action, Government Liaison and Membership Development. Each of the four (4) Vice-Chairmen shall be responsible to the Chairman and the Board of Directors for the activities and performance of the committees of their respective divisions. They shall also perform other duties as the Chairman may from time to time delegate to them.

**Section 6.4 PRESIDENT; SECRETARY.** The President, as the chief operating officer, shall carry on the general affairs of the Corporation under the supervision of the Chairman and the Board of Directors. The President shall be a Member of the staff of the Corporation and, if not otherwise a Member of the Board of Directors, shall be an ex officio Member of the Board of Directors with all voting rights. It shall be the President's duty to approve the expenditure of monies appropriated by the Board of Directors in accordance with the budget approved by the Board of Directors. The President shall make periodic reports to the Board of Directors concerning the programs of the Corporation. The President shall comply with all orders from the Board of Directors for the control of the agents, servants, and employees of the Corporation, and all such servants, agents, and employees shall report and be responsible to the President. The President shall perform such other duties as may be determined by the Board of Directors.

The President, as Secretary, shall attend the meetings of the Corporation and the meetings of the directors, and shall record or cause to be recorded upon the books and records of the Corporation the proceedings of the Corporation and of the Board of Directors at their respective meetings. The President shall notify, or cause notice to be given to, the Members of the Corporation and Board of Directors of their respective meetings in accordance with

the Bylaws of the Corporation, and shall perform such other duties as Secretary that the directors shall from time to time prescribe.

**Section 6.5 TREASURER.** The Treasurer shall be the financial officer of the Corporation and shall be responsible for the proper receipt and deposit in a bank or banks, to be approved by the Board of Directors, all the moneys of the Corporation and keep an accurate account thereof. The Treasurer shall make disbursements or cause such disbursements to be made for all accounts payable, subject to such regulations as may be determined from time to time by the Board of Directors and shall make reports of the finances of the Corporation annually and whenever requested to deliver to his/her successor all books, moneys, and other property of the Corporation then in his/her possession. The Treasurer shall render to the Board of Directors at its regular meetings, or whenever they may require, an account of the transactions of the Corporation.

**Section 6.6 IMMEDIATE PAST CHAIRMAN.** The Immediate Past Chairman shall be a Member of the Executive Committee and provide counsel to the Chairman when requested. The Immediate Past Chairman shall preside over the Executive Committee and Board of Directors meetings in the absence of the Chairman and the Chairman-Elect. The Immediate Past Chairman shall serve as the Chairman of the Nominating Committee for Directors and shall serve as liaison for matters concerning state, regional, and local issues and meetings.

**ARTICLE 7  
COMMITTEES OF THE BOARD  
AND  
DIVISIONS OF THE CORPORATION**

**Section 7.1 EXECUTIVE COMMITTEE.**

- (a) Power. The Executive Committee shall exercise such powers as are delegated to it by the Board of Directors. The Executive Committee shall have the authority to exercise all powers of the Board of Directors in between regular and special meetings of the Board of Directors; provided, however, that the Executive Committee shall make no contract or commitment and no appropriation of money or other property of the Corporation in excess of five thousand dollars (\$5,000.00) without the approval of the Board of Directors
- (b) Membership. The Executive Committee shall consist of ten (10) voting Members. The Chairman, who shall preside at the meetings; the Chairman-Elect; the four (4) Vice-Chairmen; the Treasurer; and the Immediate Past Chairman shall serve as voting Members of this committee. Two other Members of the Board of Directors shall be appointed by the Chairman to the Executive Committee. The President shall serve as Secretary of the Executive Committee but shall not be a Member of this committee. The President shall attend all meetings unless specifically requested not to attend.
- (c) Quorum. Five (5) Members shall constitute a quorum of the Executive Committee for the transaction of business.
- (d) Vote. The business of the Executive Committee may be carried out upon the vote of a majority of the Members present at a meeting at which a quorum is present.

**Section 7.2 NOMINATING COMMITTEE.** There shall exist the Nominating Committee as set forth in Article 4.3(a) hereinabove and the Nominating Committee as set forth in Article 5.2(b) hereinabove.

**Section 7.3 STANDING AND SPECIAL COMMITTEES; STANDING DIVISIONS.**

The Chairman, with approval and consent of the Board of Directors, may appoint any additional standing or special committees of the Board of Directors. The Board of Directors shall assign each committee to one of the following divisions under the supervision of the Chairman or Vice-Chairmen: Community Development; Economic Development; Government Liaison; or Membership Development. The Board of Directors shall specifically designate the purposes, duties and responsibilities of each committee. For

purposes of these bylaws, any “council” or “task force” established by the Chairman or the Board of Directors shall be deemed a committee.

#### **Section 7.4 COMMITTEE RULES AND MEETINGS.**

- (a) Any committee other than the Executive Committee and the above-referenced Nominating Committees may be dissolved by the Chairman at any time with the consent and approval of the Board of Directors.
- (b) Committee meetings shall be called by the Chairman thereof at any time and by any usual means of communication, including without limitation, e-mail, facsimile, U.S. Mail and oral communications.
- (c) A majority of the Members of a Committee shall constitute a quorum for the transaction of business by such Committee. The act of a majority of the Members of a Committee present at a Committee shall be the act of such Committee.
- (d) The general function of a committee shall be to investigate, research, recommend and execute programs approved by the Board of Directors.
- (e) Each committee shall keep records of its proceedings and shall make periodic reports and be accountable to the Board of Directors through the Vice-Chairman of the division in which such committee is placed or, in the absence of a designation of a committee to any particular division of the Corporation, through the President.

#### **Section 7.5 LIMITATIONS.**

- (a) No standing or special committee shall represent or commit the Corporation on any matter without the specific authority of the Board of Directors or such authority as may be clearly granted under general powers delegated by the Board to that committee.
- (b) Without approval of the Board of Directors, no committee or any Member thereof shall contract any debt which shall in any manner or to any extent render the Corporation liable for the payment of that obligation.
- (c) Any Committee of the Corporation, other than the Nominating Committees and the Executive Committee provided in these Bylaws, may be dissolved by the Board of Directors at any time. Any Committee appointed by the Chairman without a requirement of the consent of the Board of Directors as provided in these Bylaws may be dissolved by the Chairman upon notice to the Board of Directors at a duly called meeting of the Board of Directors.

**ARTICLE 8  
INDEMNIFICATION**

**Section 8.1 INDEMNIFICATION PERMITTED.**

- (a) The Corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened or, pending action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if he or she has acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best, interest of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.
  
- (b) The Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened or pending action, suit, or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director; officer, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, not opposed to, the best interests of the Corporation; but no indemnification shall be made in respect of any claim, issue, or matter as to which such person has been adjudged to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty, unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court deems proper.

**Section 8.2 INDEMNIFICATION REQUIRED.** To the extent a director, officer, employee, fiduciary, or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 8.1 of this Article, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith, as provided in N.C.G.S. 55A-17.2.

**Section 8.3 DETERMINATION OF PERMITTED INDEMNIFICATION.** Any indemnification under Section 8.1 of this Article (unless ordered by a court), and as distinguished from Section 8.2 of this Article, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, fiduciary or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 8.1 above. Such determination shall be made by the Board of Directors of the Corporation by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or, if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or by the Members of the Corporation. Upon making such a determination, the Board of Directors shall promptly give notice of the details of the determination to all Members.

**Section 8.4 ADVANCEMENT OF EXPENSES.** Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in Section 8.2 and 8.3 of this Article upon receipt from the director, officer, employee, fiduciary, or agent of a written affirmation of his or her good faith belief that he or she has met the standard of conduct set forth in Section 8.1 above, and upon receipt of an undertaking by, or on behalf of, the director, officer, employee, fiduciary, or agent to repay such amount unless it is ultimately determined that he or she is entitled to be indemnified by the Corporation as authorized in this Article.

**Section 8.5 OTHER INDEMNIFICATION RIGHTS.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of Members of the Corporation or disinterested directors or otherwise, and any procedure provided for by any of the foregoing, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, fiduciary or agent and shall inure to the benefit of heirs, executors, and administrators of such a person. In addition to indemnification rights granted under this Article and not in lieu hereof, those indemnified hereunder shall be entitled to the same rights with respect to indemnification as are provided by statute under N.C.G.S. sections 55A-17.1, 55A-17.2, and 55A-17.3.

**Section 8.6 INDEMNIFICATION IN CRIMINAL ACTIONS.** No indemnification shall be made in respect of any criminal action or proceeding as to which a person covered by Section 8.1 shall have been adjudged to be guilty unless and only to the extent that the court in which such action or proceeding was brought shall determine upon application that, despite the adjudication of guilt, but in view of all the circumstances of the case, such person is entitled to indemnification for such expenses or fines which such court shall deem proper.

**Section 8.7 PERIOD OF INDEMNIFICATION.** Any indemnification pursuant to this Article shall be applicable to acts or omissions which occurred prior to the adoption of this Article, and shall continue as to any indemnified party who has ceased to be a director, officer, employee, fiduciary or agent of the Corporation and shall inure to the benefit of the heirs and personal representatives of such indemnified party. The repeal or amendment of all or any portion of these Bylaws which would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the Corporation to indemnify any person, or affect any right of indemnification of such person, with respect to any acts or omissions which occurred prior to such repeal or amendment.

**Section 8.8 INSURANCE.** By action of the Board of Directors, notwithstanding any interest of the directors in such action, the Corporation may, subject to Section 8.11 hereof, purchase and maintain insurance, in such amounts as the board may deem appropriate, on behalf of any person indemnified hereunder against any liability asserted against him or her and incurred by him or her in his or her capacity of or arising out of his or her status as an agent of the Corporation, whether or not the Corporation would have the power to indemnify him or her against such liability under applicable provisions of law. The Corporation may also purchase and maintain insurance, in such amounts as the board may deem appropriate, to insure the Corporation against any liability, including without limitation, any liability for the indemnifications provided in this Article.

**Section 8.9 RIGHT TO IMPOSE CONDITIONS TO INDEMNIFICATION.** The Corporation shall have the right to impose, as conditions to any indemnification provided or permitted in this Article or otherwise, such reasonable requirements and conditions as the Board of Directors may deem appropriate in each specific case, including, but not limited to, any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any action shall be counsel that is mutually agreeable to the person to be indemnified and to the Corporation; (b) that the Corporation shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; (c) that any and all directors and officers liability insurance proceeds available be exhausted prior to the Corporation's expenditure of corporate funds for indemnification; and (d) that the Corporation shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to

be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Corporation.

**Section 8.10 RELIANCE.** Any person who at any time after the adoption of these Bylaws serves or has served in the aforesaid capacity 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 Article.

**Section 8.11 LIMITATION ON INDEMNIFICATION.** Notwithstanding any other provision of these Bylaws, the Corporation shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with qualification of the Corporation as an organization exempt from federal income taxation under section 501 of the Internal Revenue Code or would result in imposition of tax or liability under section 4941 of the Internal Revenue Code.

## **ARTICLE 9 CONFLICTS OF INTEREST**

**Section 9.1 CONFLICT DEFINED.** A conflict of interest may exist when any director, officer, or staff Member may be seen as having interests which compete with or are adverse to the interests of this Corporation.

**Section 9.2 DISCLOSURE REQUIRED.** Any conflict of interest shall be disclosed to the Board of Directors by the person concerned. When any conflict of interest is relevant to a matter requiring action by the Board of Directors, the interested person shall call it to the attention of the Board of Directors or its appropriate committee and such person shall not vote on the matter; provided however, any director disclosing a possible conflict of interest may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof.

**Section 9.3 ABSENCE FROM DISCUSSION.** The person having the conflict shall, if applicable, recuse him or herself and shall not participate in the deliberation or decision regarding the matter under consideration.

**Section 9.4 MINUTES.** The minutes of the meeting of the board or committee shall reflect that the conflict of interest was disclosed and that the interested person was not present during the final discussion or vote and did not vote. When there is doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board of Directors or its committee, excluding the vote of the person concerning whose situation the doubt has arisen.

**Section 9.5 ANNUAL REVIEW.** A copy of this conflict of interest Article shall be furnished each director, officer, and staff Member who is presently serving the Corporation, or who may hereafter become associated with the Corporation. This Article shall be reviewed periodically for the information and guidance of directors, officers, and staff Members. Any new directors, officers, or staff Members shall be advised of this Article upon undertaking the duties of such office.

## **ARTICLE 10 DISSOLUTION**

This Corporation may be dissolved in accordance with the provisions of the North Carolina General Statutes. Upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered, and paid over to such nonprofit institutions or organizations and upon such terms and conditions and in such amounts and proportions as the Board of Directors may determine and designate, to be used by such nonprofit organizations or institutions receiving the same for such similar or kindred purposes as are set forth in the Articles of Incorporation of the Corporation and any and all amendments thereto; provided, however, that any such disbursement shall comply with the Internal Revenue Code, and such other and subsequent provisions of the Internal Revenue Code as may later be enacted relating thereto.

## **ARTICLE 11 MISCELLANEOUS**

**Section 11.1 AMENDMENTS.** These Bylaws may be altered, amended or repealed at a regularly called meeting of the Board of Directors, provided that a written notice of the proposed amendment or amendments, along with a copy of the proposed amendment, shall have been provided to the Members at least thirty (30) days prior to the meeting of the Board of Directors.

**Section 11.2 SEAL.** The seal of the Corporation shall be circular in form and shall bear the name of the Corporation, the year of its incorporation and such other device or inscription as shall be determined by the Board of Directors.

**Section 11.3 FISCAL YEAR.** The fiscal year of the Corporation shall be the year beginning January 1 and ending December 31.

**Section 11.4 AUDIT.** After the close of each fiscal year of the Corporation, the financial transactions of the Corporation for the preceding fiscal year shall be audited by qualified public accountants as directed by the Board of Directors, and a report of the audit shall be made to the Board of Directors within ninety (90) days after the close of the fiscal year. The Chairman may appoint an audit committee for purposes of facilitating and overseeing the audit. The audit committee shall report directly to the Board of Directors.

**Section 11.5 BANK ACCOUNTS.** All funds raised within the territory of the Corporation shall be deposited in banks or depositories in the name of the Corporation upon resolution made by the Board of Directors of the Corporation. All withdrawals from such banks or depositories shall be made only by checks or similar orders bearing one (1) or two (2) signatures as determined by the Board of Directors.

**Section 11.6 LOANS TO DIRECTORS AND OFFICERS PROHIBITED.** No loans shall be made by the Corporation to any of its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until it is repaid.

**Section 11.7 NO PRIVATE INUREMENT.** The Corporation is not organized for profit and is to be operated exclusively in accordance with the purposes stated in the Corporation's Articles of Incorporation. The net earnings of the Corporation shall be devoted exclusively to the promotion of the common business and economic interests as provided in Section 501(c)(6) of the Internal Revenue Code and shall not inure to the benefit of any private individual. No director or person from whom the Corporation may receive any property or funds shall receive or shall be entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Corporation be paid as salary or compensation to, or distributed to, or inure to the benefit of any Member of the Board of Directors; provided, however, that (a) reasonable compensation may be paid to any director while acting as an agent, contractor, or employee of the Corporation for services rendered in affecting one or more of the purposes of the Corporation; (b) any director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation; and (c) the Corporation may, by resolution of the Board of Directors, make distribution to persons from whom the Corporation has received contributions previously made to support its activities to the extent such distributions represent no more than a return of all or a part of the contributor's contributions.

**Section 11.9 REFERENCES TO INTERNAL REVENUE CODE.** All references in these Bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include the corresponding provisions of any future federal internal revenue laws.

**Section 11.10 SEVERABILITY.** The invalidity of any provision of these Bylaws shall not affect the other provisions of these Bylaws, and in such event these Bylaws shall be construed in all respects as if such invalid provisions were omitted.