UNCW Student Aid Association, INC.

BYLAWS OF THE UNCW STUDENT AID ASSOCIATION, INC.
[Also known as and doing business as as The Seahawk Club, was originally incorporated as the Wilmington College Student Aid Association, Inc.]

MISSION STATEMENT

I. The primary mission of the Student Aid Association is to support, strengthen and develop the intercollegiate athletic program at UNCW by raising funds to support athletic scholarships at UNCW. It may also raise funds for the improvement and construction of physical facilities to be used by UNCW for athletic purposes and increase the university’s athletic scholarship endowment fund.

II. The Student Aid Association may also raise funds to provide operational and supplementary support for our entire sport program.

III. The Student Aid Association will comply with all rules and regulations of the National Collegiate Athletic Association, the Colonial Athletic Association and the university.

SECTION I - OFFICES
The principal office of the corporation, also the registered office, will be the Nixon Annex at the University of North Carolina at Wilmington, 601 South College Road, County of New Hanover, Wilmington, North Carolina 28403-3297. The office of the registered agent of the corporation is the same as the principal office and the registered office of the corporation, which may be changed from time to time as provided in the North Carolina Nonprofit Corporation Act. The corporation may have offices at such other places as the Board of Directors may from time to time determine or as the affairs of the corporation may require.

SECTION II – MEMBERSHIP
A member of the UNCW Student Aid Association is any individual or business contributing the minimum membership amount or more to the association during its fiscal year commencing July 1 through June 30.

SECTION III - BOARD OF DIRECTORS

1. General Powers.

The affairs of the corporation shall be entrusted to its Board of Directors but subject always to the constitution, legislation, rules and regulations - including interpretations, of the National Collegiate Athletic Association or the Colonial Athletic Association, or any successor organization to those athletic associations, which UNCW chooses to join, as well as UNC System and UNCW policies and regulations.

Approved and ratified June 9, 2010
2. **Institutional Control.**

Pursuant to the principle of institutional control and responsibility as specified in NCAA legislation, any decision of the board of directors that affects the intercollegiate athletic program at UNCW shall be subject to the prior approval of the Chancellor of the University of North Carolina at Wilmington, or his/her designate. Pursuant to the principle of institutional control and responsibility, the Chancellor shall have sole, exclusive authority to determine whether a decision "affects" the intercollegiate athletic program, within the meaning of these bylaws. The Board of Directors relinquishes to the Chancellor complete authority and control of its decisions, policies and programs, in conformity with the NCAA requirement for institutional control of its own intercollegiate athletics program, including booster clubs. The UNCW Student Aid Association will be in full compliance with all requirements within the University of North Carolina system.

(Addendum #1)

3. **Number, Tenure, Qualifications, Nominations, Attendance and Election.**

   a. The **number** of directors of the corporation shall be determined by the Board of Directors and the number shall not be less than nine (9) nor more than thirty (30). An attempt will be made to have the number of directors always divisible by three. In addition, the Board may appoint such ex-officio, non-voting members to the Board, as the Board deems necessary. The ex-officio, non-voting members of the Board will include: the Chancellor, the Director of Athletics, the Executive Director of the Student Aid Association, the Vice Chancellor for Business Affairs or designee, , the Executive Director of the Alumni Association, Honorary Board Members, and any other individual that the board deems necessary.

   b. Each Director elected to office shall hold office for a **term**, which shall not exceed three (3) years, commencing on July 1 of the year of election to a full term and ending on June 30 of the third year. A Director may serve two (2) consecutive three (3) year terms and would be eligible for re-election at least one (1) year after the expiration of his or her second consecutive term. Once a director is elected into an officer track, their three-year term limit will be waived.

   c. **Election** to the Board of Directors shall take place at the April meeting of the Board of Directors, or at a substitute meeting. The Board Nominating Committee shall recommend to the Board a list of nominees. A maximum of eight candidates will be elected as director each year. The candidates will be ranked based on the highest majority vote from the Directors whose terms are not expiring. (Refer to Section III, 3,d to fill that class of directors' vacancy)

   d. In the event of a **vacancy** in the Board of Directors, whether by death, resignation, increase in the number of authorized Directors, or otherwise, the remaining Directors may elect a successor. Nominations to fill the vacancy should be forwarded to the Nominating Committee, who will present a list of candidates at the next scheduled Board meeting.

   e. Any potential member of the Board of Directors must be a member of the UNCW Student Aid Association, must not have any potential conflict of interest in the workings and decisions of the board, and must be able to fulfill the commitment of time and service as stated in the Statement of Understanding. Each potential director shall sign this Statement of Understanding before accepting the position as a member of the Board of Directors.

(Addendum #2)

*Approved and ratified June 9, 2010*
f. A board member will be allowed a maximum of two absences from regularly called board meetings over four consecutive full board meetings. A board member will be allowed a total of four absences over a three-year term. Board members should give notice of absence prior to missing a meeting unless it is an immediate emergency. Excessive absences will be grounds for removal from the Board.

g. It shall be the duty of the Executive Committee to nominate, as Honorary Board Members, those individuals or former board members who have provided extraordinary service to the Student Aid Association. In making this nomination, the committee shall consider such criteria as length of service on the board, offices held, financial contributions, loyalty, and dedication to the Student Aid Association. All nominees shall be approved by the members of the Board by a simple majority vote at a regular or called meeting. Those elected as Honorary Board Members shall receive all board mailings, special event invitations and other miscellaneous items. Honorary Board Members are non-voting and ex-officio and are not eligible to serve as officers.

h. Each Director shall read, agree to, abide by and sign the Statement of Understanding for the Board of Directors annually. Addendum #2

4. Regular Meetings

   a. There shall be a minimum of four regular board meetings each fiscal year, which shall be scheduled at the start of each fiscal year. Regular meetings of the Board of Directors shall be held at the principal office of the corporation or at such other date and place as may be specified or agreed upon by the Board of Directors. The spring meeting (April) shall be held for the primary purpose of electing officers and directors and shall constitute the annual meeting. Other regular meetings may be held in addition to the required quarterly meetings. Such meetings may be held at scheduled intervals during the year.

   b. Although formal notice is not required by these bylaws in order to hold a regular, scheduled meeting, the President shall specify the date and time of a regular meeting giving at least two (2) weeks advance notice and the location as well if the meeting will not take place at the principal office of the corporation.

   c. The rules contained in the current edition of Robert’s Rule of Order, Newly Revised shall govern the board in cases to which they are applicable and in which they are not inconsistent with these by-laws and any special rules of order the association may adopt.

5. Special Meetings

   a. Special meetings of the Board of Directors may be called by the President or any three (3) Directors, who must specify the date, time and purpose for a special meeting, and the location as well if the meeting will not take place at the principal office of the corporation.

   b. Section III, Number 4, letter c specify the rules of order for special meetings.

6. Notice

   a. Regular meetings of the Board of Directors must be with notice. If formal notice is not given, as a convenience to the directors the President should schedule the meetings at the start of the
fiscal year and inform them of the time and date, and the location as well if the meeting will
not take place at the principal office of the corporation.

b. Special meetings of the Board of Directors shall be held upon notice given five (5) business
days prior by the Secretary or the person or persons authorized to call a special meeting.
Notice shall be made using usual means of communication to ensure receipt.

c. Notice of a meeting of Directors at which an amendment to the Articles of Incorporation or
these bylaws will be proposed must state that amendment of the Articles of Incorporation or
these bylaws is part of the purpose of the meeting and shall inform directors of the action that
is proposed to be taken.

d. Waiver of Notice. Any director may waive notice of any directors' meeting held without
proper notice, either before or after the meeting is held. Attendance by a director at a meeting
shall constitute a waiver of notice of such meeting, except where a director attends a meeting
for the purpose of objection to the transaction of any business because the meeting is not
lawfully noticed. Failure of a director who did not attend a meeting held without proper
notice to file with the Secretary of the corporation his or her written objection to the holding
of the meeting or any specific action taken promptly after having knowledge of the action
taken and of the insufficiency of notice shall constitute ratification of the action taken at the
meeting.

7. Quorum.

A majority of the number then holding office as members of the Board of Directors shall
constitute a quorum for the transaction of business at any meeting of the Board. The act of the
majority of the Directors actually present at a meeting at which a quorum is present shall be
the act of the Board of Directors, unless the act of a greater number is required by the Articles
of Incorporation, bylaws, or laws of the State of North Carolina. Except as otherwise
provided by law or in these bylaws, an act of the majority of the directors present at a meeting
at which a quorum is present shall be the act of the Board of Directors.

8. Removal.

Any board member may be removed by a vote of a majority of the Board of Directors then
authorized to vote whenever in its judgment the best interests of the corporation would be served
thereby.


The Directors shall not receive a salary for their services.


A director of the corporation who is present at a meeting of the Board of Directors when
 corporate action is taken shall be deemed to have assented to the action taken unless the director
objects at the beginning of the meeting (or promptly upon the director’s arrival) to holding it or
transacting business at the meeting, unless the director’s dissent or abstention from the action
shall be entered into the minutes of the meeting or unless the director shall file written notice of
dissent or abstention to such action with the presiding officer of the meeting before the

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adjournment thereof of with the corporation immediately after adjournment of the meeting. Such right of dissent or abstention shall not apply to a director who voted in favor of the action taken.

11. **Informal action by Directors.**

Any action that is required or permitted to be taken at a meeting of the directors may be taken without a meeting if the action is taken by all members of the Board of Directors. The action must be evidenced by one or more written consents signed by each director before or after such action, describing the action taken, which consent or consent shall be included in the corporate minutes of filed with the corporate records. Action taken as provided in this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed pursuant to this section has the effect of a meeting vote and may be described as such in any document.

12. **Participation Other than in Person.**

Any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar device that allows all persons participating in the meeting to hear each other, and a director who participates by such means shall be deemed present in person at such meeting.

**SECTION IV – OFFICERS**

1. **Officers.**

The officers of the corporation shall be a President, a Vice President, a Secretary, a Treasurer, Assistant Treasurer, and such other officers as may be established by the Board of Directors.

2. **Election and Term of Office**

   a. The officers of the corporation shall be elected annually at the April regular meeting of the Board of Directors, or at a substitute meeting. New officers may be established at any meeting of the Board of Directors, and officers may be selected accordingly.

   b. Each officer shall hold office for a term of one year beginning July 1st following his or her election to office and until his or her successor shall be duly elected and qualified. The track progression of officers will begin with the Secretary, Assistant Treasurer, then Treasurer, Vice-President, then President of the Board of Directors. Officers are eligible for one consecutive re-election to the same office.

3. **Vacancies.**

   A vacancy in any office, whether by death, resignation, removal, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

4. **President.**

Subject always to the pre-eminent authority of the Chancellor of the University of North Carolina at Wilmington or his/her designee to control the intercollegiate athletics program pursuant to NCAA and CAA legislation and regulations, the President shall be the senior in rank among the officers of the corporation. He or she may preside at meetings of the Board of Directors and the

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Executive Committee and may appoint members of the Board of Directors to serve on any committee. The President shall perform duties as may be prescribed by the Board of Directors from time to time. Each President, upon leaving office, shall serve in an advisory capacity to the successor and, if no longer a member of the Board of Directors, as an ex-officio member of the Board.

5. **Vice President.**

In the event of the inability or disability of the President, or in the absence of the President, the Vice-President shall perform the duties of the President. The Vice President shall serve on one committee and perform such other duties as may be prescribed by the Board of Directors.

6. **Treasurer.**

The Treasurer shall assist in the planning, preparation and proposing of the operating budget of the corporation and he or she shall assist in coordinating fundraising efforts. He or she shall perform all duties incident to the office of Treasurer as set forth in these by-laws, serve on one committee and perform such other duties as may be prescribed by the Board of Directors.

7. **Assistant Treasurer.**

The Assistant Treasurer shall assist the Treasurer in the planning, preparation and proposing of the operating budget of the corporation and he or she shall assist in coordinating fundraising efforts. He or she shall assist with all duties incident to the office of Treasurer as set forth in these by-laws, serve on one committee and perform such other duties as may be prescribed by the Board of Directors.

8. **Secretary.**

The Secretary will be responsible for taking the minutes at all meetings of the Executive Committee and the Board of Directors and assure that the members of the Board of Directors receive the minutes and notices of meetings and events in a timely manner. He or she shall have custody of the corporate records and the seal of the corporation and shall affix the seal to documents, when necessary. He or she will oversee Board member participation and be responsible for all communications and management of information with regard to the Board members. He or she shall perform all duties incident to the office of Secretary as set forth in these bylaws, serve on one committee and perform such other duties as may be prescribed by the Board of Directors.

9. **Executive Director**

a. The corporation shall have an Executive Director who shall be the chief executive officer of the corporation. The Executive Director shall be an ex-officio, non-voting member of the Board of Directors. The function of the Executive Director is to manage the affairs of the corporation. The Executive Director may be vested with other Board powers and duties as may be approved from time to time by the Board of Directors. The Executive Director may at any time recommend to the President the establishment of an ad hoc/sub committee of the Board of Directors.
b. The Executive Director shall be appointed by the Chancellor of the University of North Carolina at Wilmington, or his or her designate, in the exercise of his or her pre-eminent authority to control the intercollegiate athletics program as required by the NCAA and the CAA.

SECTION V - ASSETS MANAGEMENT

1. All donations and contributions of funds and other receipts of monies by the corporation shall be deposited in a timely manner in accordance with procedures specified by the Chancellor of the University of North Carolina at Wilmington.

2. The management of the assets and funds of the corporation shall be carried out pursuant to the administrative policies of UNCW, pursuant to the authority of the Chancellor in the exercise of his or her authority to control intercollegiate athletics in accordance with the Rules and Regulations of the NCAA and CAA.

3. The corporation is organized exclusively for charitable and educational purposes, including, for such purposes, the making of contributions to organizations that qualify as exempt organizations under section 501 (c)(3) of the Internal Revenue Code of 1954. No part of the net earnings of the corporation shall inure to the benefit of its contributors, directors, officers, or other persons except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the organizations. Upon dissolution, all of the net assets of the corporation shall be distributed to the University of North Carolina at Wilmington or, if that cannot be accomplished, then to one or more organizations organized and operated exclusively for educational or scientific purposes that is (or are) exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code.

4. The Board of Directors and only this board, by majority vote, has the authority to secure loans or issue debt in the name of the corporation, subject to the prior approval of the Vice Chancellor for Business Affairs.

5. Management of Corporate Funds. No funds received by donation, bequest or any other means shall be diverted from the use specified by the donor, testator or testatrix (except per Section X of these By-laws), unless said use is contrary to or in conflict with the purposes of the corporation. No funds shall be used for any purpose other than to affect the purposes of the corporation.

6. Exempt Activities. Notwithstanding any other provision of these bylaws, no director, officer, employee or representative of this 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 described in 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 the Code and regulations as they now exist or as they may hereafter be amended.

SECTION VI - FISCAL YEAR

Unless otherwise ordered by the Board of Directors, the fiscal year of the corporation shall begin July 1st and extend through the 30th day of June of the following year.

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SECTION VII – SEAL

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the word “Corporate Seal.”

SECTION VIII - AMENDMENTS TO BYLAWS

The bylaws may be altered, amended or repealed and new bylaws may be adopted by an affirmative vote of a majority vote of the Directors then authorized and present to vote at any regular meeting or special meeting, after giving required written notice concerning the intent to propose amendments to the bylaws prior to the meeting, at which a quorum has been established.

SECTION IX – COMMITTEES

1. Executive Committee.
   a. The Executive Committee shall be comprised of the President, Vice President, Treasurer, Secretary, the Executive Director and the immediate past President and the chairperson of each standing committee.
   b. The Executive Committee shall meet regularly to plan the agenda for the Board of Directors’ meeting and the exercise the authority of the entire Board by making decisions in the interval between board meetings with respect to urgent matters affecting the corporation. The Executive Committee shall promptly report its decisions on urgent matters to the Board of Directors. The Executive Committee shall oversee all operational elements that ensure effective board governance.
   c. The President of the corporation shall be the chairperson of the Executive Committee.
   d. The Executive Committee chairperson shall present recommendations to the Board of Directors that require Board action.

2. Board Management Committee.
   a. The Board Management Committee shall be comprised of the President of the corporation, who shall be an ex-officio member, and a minimum of five (5) members of the Board of Directors.
   b. The Chairperson of the Board Management Committee will be appointed by the President and Executive Director on an annual basis.
   c. The Board Management Committee shall oversee education, conflicts of interest, nominations, and bylaw revisions.

3. Development/Campaign Committee.
   a. The Development Committee shall be comprised of at least one member of the Board of Directors and a minimum of four (4) additional persons, who may be selected from the membership, or from the Board of Directors.

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b. The Development/Campaign Committee shall work with the Executive Director to set up strategic fundraising and business plans, set goals and provide input and evaluate promotional brochures. The Chairperson of the Development/Campaign Committee will be appointed by the President and Executive Director on an annual basis.

c. The Development/Campaign Committee shall assess, cultivate and maintain all types of resources necessary for organizational success.

d. The Development/Campaign Committee shall perform other duties as may be assigned by the Board of Directors.

4. Events Committee.

a. The Events Committee shall be comprised of at least one member of the Board of Directors and a minimum of four (4) additional persons, who may be selected from the membership, or from the Board of Directors.

b. The Chairperson of the Events Committee will be appointed by the President and Executive Director on an annual basis.

c. The Events Committee shall oversee all special events for fund-raising other than the annual campaign held by the Seahawk Club. This will involve the organizing, planning and the executing with regard to promotions, ticket sales and all other activities relating to these special events.

d. The Events Committee shall perform other duties as may be assigned by the Board of Directors.

5. Nominating Committee.

a. The Nominating Committee shall be comprised of the Secretary, the Immediate Past President and at least four (4) additional persons, who may be selected from the membership or from the Board of Directors.

b. The Chairperson of the Nominating Committee will be the Immediate Past President.

c. The Nominating Committee shall present the slate for new directors and new officers at the April meeting.

d. The Nominating Committee shall perform other duties as may be assigned by the Board of Directors.


a. The Finance Committee shall be comprised of the Treasurer, Assistant Treasurer and at least three (3) additional persons who may be selected from the Board of Directors or regular membership. The members of this committee shall have at least one individual with financial experience, who understands financial information and statements.

b. The Chairperson of the Finance Committee will be the Treasurer.

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c. The Finance Committee shall have an Audit Subcommittee which shall receive the report of the independent CPA firm that conducts the annual audit and relevant tax forms to be submitted by the Corporation. The Audit Subcommittee shall have three (3) members appointed by the Treasurer. Neither the Treasurer nor any university employee shall serve on the subcommittee. At least one member of the Audit Subcommittee shall be a financial expert.

d. The Audit Subcommittee Chairperson shall report to the Board of Directors at each regular meeting.

e. The Finance Committee is responsible for oversight of the financial activities of the corporation.

The Board of Directors may establish other committees as it deems advisable for the benefit of the corporation.

SECTION X– SPORT SPECIFIC PROGRAMS

From time to time, the Student Aid Association Board of Directors may authorize the formation of specific clubs to assist particular sport programs in funding and public awareness needs. The clubs are not separate from the Student Aid Association and must follow the by-laws detailed herein. Funds raised for these specific clubs shall have a portion restricted for use by the particular sports program, per NCAA, CAA and university rules and regulations. The portion shall be set by the Student Aid Association Board of Directors.

Section XI - Conflict of Interest

A Director shall be considered to have a conflict of interest if (a) such Director has existing or potential financial or other interest which impair or might reasonably appear to impair such member’s independent, unbiased judgment in the discharge of his responsibilities to the Corporation, or (b) such Director is aware that a member of his or her family (which for purpose of this paragraph shall be a spouse, parents, siblings, children and any other relative if the latter reside in the same household as the Director), or any organization in which such Director (or member of his family) is an officer, director, employee, member, partner, trustee or controlling stockholder, has such existing or potential financial or other interest. All Directors shall disclose to the Board any possible conflict of interest at the earliest practicable time. No Director shall vote on any matter, under consideration at a Board or committee meeting, in which such Director has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Director has a conflict of interest abstained from voting. Any Director who is uncertain whether a conflict of interest may exist in any matter may request the Board or committee to resolve the question by a majority vote.

Section XII - Discrimination Prohibited

In administering its affairs, the Corporation shall not discriminate against any person on the basis of race, creed, color, sexual orientation, national or ethnic origin, sex, religion, age, disability or veteran status.

SECTION XIII– Internal Control Procedures

From time to time, the Student Aid Association Board of Directors may put in place Internal Control Procedures, in partnership with the University, to set guidelines for the daily activity of the organization.

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Section XIV – Indemnification of Directors, Officers and Others

1. Definitions. For purposes of this Section XIV, the following definitions shall apply:

(a) “Act” means the North Carolina Nonprofit Corporation Act, effective July 1, 1994, and all amendments and additions thereto.

(b) “Corporation” means The UNCW Student Aid Association, Inc., as a corporation as such term is defined in Section 55A-8-50(b)(1) of the Act.

(c) “Director” means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Corporation’s request as a director, officer, manager, partner, trustee, employee or agent of another foreign or domestic corporation (whether a business or nonprofit corporation), limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise. A director is considered to be serving as a director, officer, manager, partner, trustee, employee or agent of an employee benefit plan at the Corporation’s request if such director’s duties to the Corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. “Director” includes, unless the context requires otherwise, the estate or personal representative of a Director.

(d) “Expenses” means expenses of every kind incurred in defending a Proceeding, including, but not limited to, legal, accounting, expert and investigatory fees and expenses.

(e) “Indemnified Officer” shall mean each officer of the Corporation who is also a Director of the Corporation and each other officer of the Corporation who is designated by the Board of Directors from time to time as an Indemnified Officer. An Indemnified Officer shall be entitled to indemnification hereunder to the same extent as a Director, including, without limitation, indemnification with respect to service by the Indemnified Officer at the Corporation’s request as a director, officer, manager, partner, trustee, employee or agent of another foreign or domestic corporation (whether a business or nonprofit corporation), limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise. “Indemnified Officer” includes, unless the context requires otherwise, the estate or personal representative of an Indemnified Officer.

(f) “Liabilities” means any obligation to pay any or all of the following: a judgment, a settlement, a penalty, a fine (including an excise tax assessed with respect to an employee benefit plan) and reasonable expenses, including, but not limited to, attorneys’ fees of opposing parties incurred with respect to a Proceeding.

(g) “Proceeding” means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, whether formal or
informal, and any appeal therein (and any inquiry or investigation that could lead to such a proceeding).

2. **Statement of Intent.** The Corporation shall indemnify the Directors and the Indemnified Officers to the maximum extent permitted by the Act.

3. **Indemnification.** In addition to, and not in any way in limitation of, all indemnification rights and obligations otherwise provided by law, the Corporation shall indemnify and hold harmless its Directors and Indemnified Officers against all Liabilities and Expenses in any Proceeding (including, without limitation, a Proceeding brought by or on behalf of the Corporation itself) arising out of their status as Directors or officers, or their service at the Corporation’s request as a director, officer, manager, partner, trustee, employee or agent of another foreign or domestic corporation (whether a business or nonprofit corporation), limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, or their activities in any such capacity; provided, however, that the Corporation shall not indemnify a Director or an Indemnified Officer against Liabilities or Expenses that such person may incur on account of activities of such person which at the time taken were known or believed by him or her to be clearly in conflict with the best interests of the Corporation.

The Board of Directors shall have the authority to adopt such resolutions pertaining to the implementation of this Section 3 of this Section as it may from time to time determine, and such resolutions shall be given full effect, even though they supplement, amplify or go beyond the provisions of this Section, provided and to the extent such resolution does not violate any provision of the Act or the Articles of Incorporation. This Section shall be construed in a manner to fully effect the purpose and intent of the resolution of the Board of Directors approving and adopting this provision.

4. **Determination.** Any indemnification under this Section shall be paid by the Corporation in a specific case only after a determination that the Director or Indemnified Officer has met the standard of conduct set forth in this Section. Such determination shall be made:

(a) by the Board of Directors by a majority vote of a quorum consisting of the members thereof not at the time parties to the Proceeding;

(b) if a quorum cannot be obtained under Section 4(a), by a majority vote of a committee duly designated by the Board of Directors (in which designation members thereof who are parties to the Proceeding may participate), consisting solely of two or more members of the Board of Directors not at the time parties to the Proceeding;

(c) by special legal counsel (i) selected by the Board of Directors or a committee thereof in the manner prescribed in Section 4(a) or (b); or (ii) if a quorum of the Board of Directors cannot be obtained under Section 4(a) and a committee cannot be designated under Section 4(b), selected by a majority vote of the full Board of Directors (in which selection members thereof who are parties in the Proceeding may participate).

The Board of Directors shall take all such action as may be necessary and appropriate to enable the Corporation to pay the indemnification required by this Article.

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5. Reliance and Consideration. Any Director or Indemnified Officer who at any time after the adoption of this Section 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, however, shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this Section. No amendment, modification or repeal of this Section shall adversely affect the right of any Director or Indemnified Officer to indemnification hereunder with respect to any activities occurring prior to the time of such amendment, modification or repeal.

6. Insurance. The Corporation may purchase and maintain insurance on behalf of its directors, officers, employees and agents and those persons who were or are serving at the request of the Corporation in any capacity with another corporation (whether a business or nonprofit corporation), limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against or incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Section or otherwise. Any full or partial payment made by an insurance company under any insurance policy covering any director, officer, employee, agent or other person identified above made to or on behalf of a person entitled to indemnification under this Section shall relieve the Corporation of its liability for indemnification provided for in this Section or otherwise to the extent of such payment, and no insurer shall have a right of subrogation against the Corporation with respect to such payment.

7. Savings Clause. If this Section or any portion hereof shall be invalidated on any ground by any court or agency of competent jurisdiction, then the Corporation shall nevertheless indemnify each person indemnified hereunder to the fullest extent permitted by the portion of this Section that is not invalidated and also to the fullest extent permitted or required by applicable law.

Limitations of Delegation. In accordance with Section 55A-8-25(e) of the North Carolina Nonprofit Corporation Act, the Board of Directors may not delegate to any committee the following powers:

(a) To authorize distributions;

(b) To approve dissolution, merger or the sale, pledge, or transfer of all or substantially all of the corporation’s assets;

(c) To elect, appoint or remove directors, or fill vacancies on the Board of Directors or on any committees of the Board of Directors; and

(d) To adopt, amend or repeal the articles of incorporation or bylaws of the corporation.

Approved and ratified June 9, 2010

President

Vice-President

Approved and ratified June 9, 2010