

Amended and Restated Bylaws

North Caroliana Society

ARTICLE I

OFFICES

Section 1. Principal Office. The principal office of North Caroliana Society (the "Society") shall be located at The North Carolina Collection, Wilson Library, The University of North Carolina at Chapel Hill, Chapel Hill, North Carolina 27599, or at such other place as the board of directors shall determine.

Section 2. Registered Office. The registered office of the Society required by law to be maintained in the State of North Carolina may be, but need not be, identical to the principal office.

Section 3. Other Offices. The Society may, from time to time, have offices at such places, either within or without the State of North Carolina, as the board of directors may designate or as the business of the Society may require.

ARTICLE II

MEMBERS

Section 1. Members. The members of the Society shall consist of such persons as may be nominated by the board of directors and elected by the members at a meeting of the members. In considering persons for membership, the board of directors shall seek to elect to membership North Carolinians who meet the Society's traditional strict criterion of "adjudged performance" in service to North Carolina's heritage and who have demonstrated a continuing interest in and support of North Carolina's historical, literary and cultural inheritance.

Section 2. Number of Members. The Society shall consist of a number of members determined by the board of directors by resolution from time to time.

Section 3. Dues. The board of directors may by resolution establish a requirement that the members of the Society pay minimum annual dues.

Section 4. Resignation. A member may resign from the Society at any time by communicating his or her resignation to the Society, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date.

Section 5. Removal of Members. Upon the recommendation of the board of directors, any member may be removed from membership in the Society by the affirmative vote of the members at any regular or special meeting at which a quorum is present, for conduct detrimental to the interests of the Society, for lack of sympathy with the Society's objectives, or for refusal to render reasonable assistance in carrying out its purposes. Any such member proposed to be removed shall be entitled to at least five (5) days' notice in writing by mail of the meeting at which such removal is to be voted upon and shall

be entitled to appear before and be heard at such meeting.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members of the Society shall be held at a place, date, and time determined by the board of directors for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by any three (3) directors and must be called by the President or Secretary within thirty (30) days after written request by the holders of at least ten percent (10%) of the votes entitled to be cast on any issue proposed to be considered at the meeting.

Section 3. Notice of Meetings. Written notice stating the date, time and place of any meeting of the members shall be given not less than ten (10) nor more than sixty (60) days before the date of such meeting, either by personal delivery, or by telegraph, teletype, facsimile transmission or other form of electronic communications or by mail or private carrier, by or at the direction of the board of directors, the President, the Secretary, or other person calling the meeting, to each member entitled to vote at the 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 Society, with postage thereon prepaid.

In the case of a special meeting, the notice of meeting shall include a description of the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not include a description of the purpose or purposes for which the meeting is called unless such a description is required by the provisions of the North Carolina Nonprofit Corporation Act.

When a meeting is adjourned 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.

Section 4. Quorum. At any meeting of members, the presence of one-fifth of the members in person or by proxy shall be necessary to constitute a quorum for all purposes except as otherwise provided by law, and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of all the members except as may be otherwise specifically provided by law or by these bylaws. In the absence of a quorum, or when a quorum is present, a meeting may be adjourned from time to time, by vote of a majority of the members present in person or by proxy without notice other than an announcement at the meeting and without further notice to any absent member. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at a meeting as originally notified.

Section 5. Voting. At every meeting of members each member shall be entitled to vote in person, or by proxy duly appointed by instrument in writing which is subscribed by such member and which bears a date not more than eleven (11) months prior to such meeting, unless such instrument provides for

a longer period. Each member shall be entitled to one vote on each matter voted on at a meeting of the members. The vote for directors shall ordinarily be by voice. Upon the request of any member, however, the vote upon any question before the meeting shall be by ballot. All elections shall be had and all questions decided by a majority vote of the members present in person or by proxy.

Either the board of directors or the presiding officer of the meeting may appoint one or more voting inspectors, each of whom shall take an oath to execute his duties impartially and to the best of his ability. The voting inspectors shall, by majority vote, resolve all questions regarding voting of shares, including the number of shares outstanding, the voting power of each, the shares represented at the meeting, the qualification of voters, the validity of proxies, the existence of a quorum as to any voting group, and the acceptance, rejection and tabulation of votes.

Section 6. Waiver of Notice. 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 Society for inclusion in the minutes or filing

with the corporate records. A member's attendance at a meeting in person or by proxy (a) waives objection to lack of notice or defective notice of the meeting, unless the member or his proxy at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; 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 his proxy objects to considering the matter before it is voted upon.

ARTICLE IV

OBJECTS AND PURPOSES

The objects and purposes for which the Society is organized are set forth in the articles of incorporation as filed with the Secretary of State of North Carolina.

ARTICLE V

BOARD OF DIRECTORS

Section 1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Society shall be managed under the direction of, the board of directors.

Section 2. Number. The number of directors of the Society shall be as determined from time to time by resolution of the board of directors. Directors need not be residents of the State of North Carolina.

Section 3. Terms. Each director shall serve a one (1) year term. Directors may serve an unlimited number of successive terms. Each director shall hold office until the next annual meeting of members following the director's election or until his or her death, resignation or removal. The term of a director elected to fill a vacancy expires at the next meeting of members at which directors are elected. A decrease in the number of directors does not shorten an incumbent director's term. Despite the expiration of a director's term, such director shall continue to serve as director of the Society until a successor shall be elected and qualifies or until there is a decrease in the number of directors.

Section 4. Election. Except as otherwise provided herein, the directors shall be elected at the annual meeting of the

members. Each new director shall be elected by a majority vote of the members voting either in person or by proxy at the annual meeting of the members.

Section 5. Removal. Any director may be removed at any time with or without cause by a majority vote of the directors then in office.

Section 6. Resignation. A director may resign at any time by communicating his or her resignation to the board of directors, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date that is accepted by the board, the board may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date.

Section 7. Vacancies. Any vacancy occurring in the board of directors (including a vacancy created by an increase in the number of directors) shall be filled by the remaining directors (even though less than a quorum).

Section 8. Directors emeritus. The designation "director emeritus" or "director emerita" may be given to former directors from time to time by the board of directors. Directors emeritus shall have no vote and shall not be members of the board of directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the board of directors shall be held at least twice per year at such time and place as shall be specified in a notice thereof. The board of directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings without other notice than such resolution. The board of directors may hold one regular meeting immediately following the annual meeting of members for the purpose of organization, the election of officers and the transaction of other business.

Section 2. Special Meetings. Special meetings of the board of directors may be called by the President, the Secretary or by a majority of the board of directors. The person or persons authorized to call special meetings of the board of directors may fix any place, either within or without the State of North Carolina, as the place for holding any special meeting of the board of directors called by them.

Section 3. Notice of Meetings. Regular meetings of the board of directors may be held without notice. The person calling a special meeting of the board of directors shall give or cause to be given oral or written notice of special meetings of the board of directors to each director not fewer than five (5) days before the date of such meeting. Such notice shall specify the purpose(s) for which the special meeting is called.

Section 4. Waiver of Notice.

(a) A director may waive notice of any directors' meeting before or after the date and time stated in the notice. Except as provided by subsection (b), the waiver must be in writing, signed by the director entitled to the notice, and delivered to the Society for filing with the minutes or corporate records.

(b) A director's attendance at or participation in a meeting waives any required notice to such director of the meeting unless the director at the beginning of the meeting (or promptly upon such director's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action

taken at the meeting.

Section 5. Quorum. A quorum of the board of directors consists of a majority of the directors in office immediately before a meeting begins. In no event may these bylaws or any resolution adopted pursuant to these bylaws authorize a quorum of fewer than one-third of the number of directors then in office.

Section 6. Manner of Acting. If a quorum is present when a vote is taken, the affirmative act of a majority of the directors present is the act of the board of directors, except as otherwise provided by law, the articles of incorporation of the Society, or these bylaws.

Section 7. Presumption of Assent. A director who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless such director:

- (a) objects at the beginning of the meeting (or promptly upon such director's arrival) to the holding of the meeting or to the transaction of business at the meeting;
- (b) dissents or abstains from the action taken and the dissent or abstention is entered in the minutes of the meeting; or
- (c) files written notice of his dissent or abstention with the presiding officer of the meeting before its adjournment or with the Society immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 8. Action Without Meeting. Any action required or permitted to be taken at a board of directors meeting may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more written consents signed by each director before or after such action, describing the action taken, and included in the minutes or filed with the records of the Society reflecting the action taken. Action taken under this Section 8 is effective when the last director signs the consent unless the consent specifies a different effective date. A consent signed under this Section 8 has the same effect as a vote at a meeting and may be described as such in any document.

Section 9. Participation Other Than in Person. Any one or more directors may participate in a meeting of the board or a committee by means of a conference telephone or similar communications device by which all directors participating may simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed presence in person at such meeting.

ARTICLE VII

COMMITTEES

Section 1. Committees. The board of directors may establish such committees as the board deems appropriate from time to time. Committees shall have the power to act only in intervals between meetings of the board of directors. Each committee shall be appointed by the President and may be removed at any time, with or without cause, by the President. The chair of each committee shall report regularly to the board of directors. The President shall be an ex-officio member of all committees.

Section 2. Term of Office. The chair and each member of each committee shall serve for a term of one (1) year or until his or her successor is appointed or until such committee is sooner terminated, or until such person is removed, resigns,

or otherwise ceases to qualify as a chair or a member, as the case may be, of the committee.

Section 3. Vacancies. Vacancies on any committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

Section 4. Meetings: Quorum. Each committee shall meet as often as necessary to perform its duties at such times and places as directed by its chair, by the President, or by the board of directors. A majority of the members of the committee shall constitute a quorum of such committee, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee shall keep accurate minutes of its meetings, the chair of the committee designating a secretary of the committee for this purpose and shall make periodic reports and recommendations to the board of directors.

Anyone (1) or more directors may participate in a meeting of a committee of the board of directors by means of a conference telephone or similar device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed presence in person at such meeting.

Section 5. Expenditures. Any expenditures of Society funds by a committee other than the Executive Committee shall require prior approval of the board of directors. The proposed expenditure shall be deemed to have received the prior approval of the board of directors if and to the extent that it is included in the operating budget for the then current fiscal year.

Section 6. 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 Society'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 Society.

Section 7. Executive Committee. The Executive Committee, if established by the board of directors, shall consist of the officers of the Society and shall meet as determined by the President. The President shall serve as Chair of the Executive Committee. The Executive Committee shall have the power to transact all regular business of the Society during the interim between the meetings of the board of directors, and any action taken shall not conflict with the policies of the board of directors. The Executive Committee shall refer all matters which it determines to be of major importance to the board of directors. In addition, the Executive Committee shall have the following duties:

- (a) Review the bylaws at least annually to ensure compliance with the legal accountability of the Society, and make recommendations for changes to the board of directors at least every other year;
- (b) Review and make recommendations regarding any special activities or issues as required by the President; and
- (c) Review board member attendance for board and committee meetings on an annual basis.

Section 8. Investment Committee. The Investment Committee, if established by the board of directors, shall consist of not fewer than three (3) directors, each of whom shall be appointed by the President at each annual meeting of the board of

directors. One of the directors appointed to the Investment Committee shall be appointed by the President as chair of the committee. Except to the extent of any limitations imposed by the board of directors, the Society's articles of incorporation or these bylaws or by law, the Investment Committee shall have full power and authority to manage, invest and reinvest all of the nonoperating assets of the Society for the benefit of the Society, in such manner and in such investments and for such investment objectives as it shall deem appropriate, in its absolute discretion; and in connection with such management, investment and reinvestment, and any sales or purchases made in pursuance thereof, the Investment Committee shall also have full power and authority, on behalf of the Society and of the board of directors, to employ, retain or engage the services of such custodians, trustees, fiscal agents, investment advisors, attorneys, and other professional personnel as it shall deem necessary or desirable.

ARTICLE VIII

OFFICERS

Section 1. Officers of the Society. The officers of the Society shall consist of a President, a Secretary, a Treasurer, and such Vice-Presidents and assistant officers as may be appointed by or under the authority of the board of directors from time to time. The same individual may simultaneously hold more than one office in the Society, except the offices of President and Secretary, but no individual may act in more than one capacity where action of two (2) or more officers is required.

Section 2. Appointment and Term. The officers of the Society shall be appointed by the board of directors. Each officer shall hold office until his or her death, resignation, retirement, removal, disqualification, or his successor shall have been appointed.

Section 3. Compensation of Officers. The compensation, if any, of all officers of the Society shall be fixed by the board of directors.

Section 4. Removal. The board of directors may remove any officer at any time with or without cause, but such removal shall not itself affect the officer's contract rights, if any, with the Society.

Section 5. Resignation. An officer may resign at any time by communicating his or her resignation to the Society, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date that is accepted by the Society, the board of directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date.

Section 6. Bonds. The board of directors may by resolution require any officer, agent, or employee of the Society to give bond to the Society, with sufficient sureties, conditioned upon the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the board of directors.

Section 7. President. The President shall be the principal executive officer of the Society and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the Society and shall perform all duties incident to the office of President and such other duties as may be prescribed by the board of directors from time to time. He or she may sign, with the Secretary or any other proper officer or agent of the Society thereunto authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments that the board of directors has authorized to

be executed, except in cases in which the execution thereof shall have been expressly delegated by the board of directors or by these bylaws to some other officer or agent of the Society and except in cases in which the law requires such instruments to be otherwise signed or executed. The President shall be the chairman of the board of directors of the Society and shall preside at all meetings of the board of directors and of the members.

Section 8. Vice-Presidents. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-Presidents in the order of their length of service as such, unless otherwise determined by the board of directors, 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 prescribed by the President or board of directors.

Section 9. Secretary. The Secretary shall: (a) keep the minutes of the meetings of members, of the board of directors and of all committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) maintain and authenticate the records of the Society and be custodian of the seal of the Society and see that the seal of the Society is affixed to all documents the execution of which on behalf of the Society under its seal is duly authorized; (d) attest the signature or certify the incumbency or signature of any officer of the Society; (e) prepare and have printed and mailed to each member of the Society within six months after the end of a reporting period an Annual Report containing a review of progress and activities of the preceding year, including an accounting of income, expenditures, and balances of each separate fund owned by the Society and (f) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the President or by the board of directors.

Section 10. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Society; receive and give receipts for moneys due and payable to the Society from any source whatsoever, and deposit all such moneys in the name of the Society in such depositories as shall be selected in accordance with the provisions of Article IX, Section 3 of these bylaws; (b) maintain appropriate accounting records as required by law; (c) prepare, or cause to be prepared, annual financial statements of the Society that include a balance sheet as of the end of the fiscal year and an income and cash flow statement for that year incorporated in the Annual Report provided for in Article VIII, Section 9 of these bylaws; and (d) in general perform all of the duties incident to the office of the treasurer and such other duties as from time to time may be prescribed by the President or by the board of directors.

ARTICLE IX

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Society, and such authority may be general or confined to specific instances.

Section 2. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Society, shall be signed by such officer or officers, agent or agents of the Society and in such manner as shall from time to time be determined by resolution of the board of directors.

Section 3. Deposits. All funds of the Society not otherwise employed shall be deposited from time to time to the credit of the Society in such depositories as the board of directors may select.

ARTICLE X

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

Section 1. Definitions. For purposes of this Article X, 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) " " means North Caroliniana Society as a corporation, as such term is defined in Section 55A-8-50(b)(l) of the Act.
- (c) "Director" means an individual who is or was a director of the Society or an individual who, while a director of the Society, is or was serving at the Society'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 Society's request if such director's duties to the Society 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" means an individual who is or was an officer of the Society appointed by the board of directors. 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 Society'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).

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

Section 3. Indemnification. In addition to, and not in any way in limitation of, all indemnification rights and

obligations otherwise provided by law, the Society 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 Society itself) arising out of their status as Directors or officers, or their service at the Society'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 Society 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 reasonably believed by him or her to be clearly in conflict with the best interests of the Society. The Society shall also indemnify each Director and Indemnified Officer for his or her costs, expenses and attorneys' fees incurred in connection with the enforcement of the rights to indemnification granted herein, if it is determined in accordance with Section 4 of this Article X that the Director or Indemnified Officer is entitled to indemnification hereunder.

The board of directors shall have the authority to adopt such resolutions pertaining to the implementation of this Section 3 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 3 provided and to the extent that such resolution does not violate any provision of the Act or the articles of incorporation. This Section 3 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.

Section 4. Determination. Any indemnification under Section 3 of this Article X shall be paid by the Society in a specific case only after a determination that the Director or Indemnified Officer has met the standard of conduct set forth in Section 3 of this Article X. 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 of the board of directors 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; or

(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 Society to pay the indemnification required by this Article X.

Section 5. Advances for Expenses. The Expenses incurred by a Director or an Indemnified Officer in defending a Proceeding may be paid by the Society in advance of the final disposition of such Proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the Director or Indemnified Officer to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Society against such Expenses. Subject to receipt of such undertaking, the Society shall make reasonable periodic advances for Expenses pursuant to this Section 5 unless the board of directors shall determine, in the manner provided in Section 4 of this Article X and based on the facts then known, that indemnification under this Article X is or will be precluded.

Section 6. Reliance and Consideration. Any Director or Indemnified Officer who at any time after the adoption of this Article X serves or has served in any of the aforesaid capacities for or on behalf of the Society 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 Article X. No amendment, modification or repeal of this Article X 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.

Section 7. Insurance. The Society 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 Society 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 Society would have the power to indemnify such person against such liability under the provisions of this Article X 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 Article X shall relieve the Society of its liability for indemnification provided for in this Article X or otherwise to the extent of such payment, and no insurer shall have a right of subrogation against the Society with respect to such payment.

Section 8. Savings Clause. If this Article X or any portion hereof shall be invalidated on any ground by any court or agency of competent jurisdiction, then the Society shall nevertheless indemnify each person indemnified hereunder to the fullest extent permitted by the portion of this Article X that is not invalidated and also to the fullest extent permitted or required by applicable law.

ARTICLE XI

PROHIBITED ACTIVITIES

Section 1. Purposes. The Society is organized exclusively for charitable, religious, and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Cillie").

Section 2. Prohibited Activities. No part of the net earnings of the Society shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the Society shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution **in** furtherance of the purposes set forth in these bylaws. No substantial part of the activities of the Society shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Society shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these bylaws, the Society shall not carry on any other activities not permitted to be carried on (a) by a Society exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a Society, contributions to which are deductible under Section 170(c)(2) of the Code.

ARTICLE XII

DISSOLUTION

Section 1. General Provisions. Upon the dissolution of the Society, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Society is then located, exclusively for such purposes or to such organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Society shall consist of two concentric circles between which is the name of the Society, year of incorporation, and the words "North Carolina," and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Society.

Section 2. Fiscal Year. The fiscal year of the Society shall be fixed by the board of directors.

Section 3. Pronouns. Each reference to pronouns herein shall be construed in the masculine, feminine, neuter, singular or plural, as the context may require.

Section 4. Amendments. The board of directors may amend these bylaws, except to the extent otherwise provided by law and subject to any approval required by a third person pursuant to N. C. Gen. Stat. § SSA-10-

30. The Society shall provide at least ten (10) business days' written notice of any meeting of directors at which an amendment is to be voted upon. The notice shall state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment; provided, however, that notwithstanding anything herein to the contrary, the board of directors shall not make any amendments to the purposes as set forth in the articles of incorporation of the Society nor any amendment which is prohibited for organizations described in Section 501(c)(3) of the Code. The amendment shall be approved by a majority of the directors in office at the time the amendment is adopted.

Section 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, unless said use is contrary to or in conflict with the purposes of the Society. No funds shall be used for any purpose other than to effect the purposes of the Society.

Section 6. Exempt Activities. Notwithstanding any other provision of these bylaws, no director, officer, employee or representative of the Society shall take any action or carry on any activity by or on behalf of the Society not permitted to be taken or carried on by an organization exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the 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.