

**Bylaws
of
North Carolina High Peaks Trail Association, Inc.,
a North Carolina Nonprofit Corporation**

Article I. NAME, PURPOSE, STATUS

Section 1. NAME.

The name of this organization is NORTH CAROLINA HIGH PEAKS TRAIL ASSOCIATION, INC., hereinafter referred to as “the Association.”

Section 2. PURPOSE

The Association is organized for the following charitable and educational purposes: To advance the public’s awareness, education, understanding and appreciation of nature, wildlife, the natural environment and the numerous healthy lifestyle benefits derived from the active use of these amenities. The Association shall pursue these objectives by promoting, developing, enhancing and fostering the public’s use of non-motorized trails in the High Peaks region encompassing the mountain ranges and drainage basins of the North and South Toe Rivers, the Cane River, Ivy Creek and the North Carolina portion of the Nolichucky River in Western North Carolina. To carryout these purposes the Association may own, lease or license real property; may construct, maintain, improve and or manage facilities and improvements including, but not limited to, hiking trails, bicycle paths, equestrian trails, walkways, greenbelts, water courses and other outdoor recreational amenities and ancillary facilities.

Section 3. TAX EXEMPT STATUS.

The Association is organized exclusively for charitable and educational purposes as specified in Section 501(c)(3) and related sections of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 (herein the “Code”) (or the corresponding provisions of any future United States Internal Revenue Code).

Section 4. MANAGEMENT OF THE ASSOCIATION.

The Board of Directors, hereinafter referred to as “the Board”, shall be the managing board of the Association as set forth in Article IV.

Section 5. NONDISCRIMINATION

The Association shall maintain a policy by which no person shall be discriminated against because of race, age, sex, sexual preference, religion or national origin.

Article II. PRINCIPAL OFFICE

The office of the Association shall be located in Yancey County, North Carolina. The Board of Directors may at any time, or from time to time, change the location of the principal office from one location to another within said county.

Article III. MEMBERSHIP

Section 1. QUALIFICATIONS FOR MEMBERSHIP.

Any person who agrees with the purpose and objectives of this Association may become a member by completing a membership application, subject to the acceptance and approval by the Board.

Section 2. CATEGORIES OF MEMBERSHIP.

Membership in the Association shall consist of the following classes:

- a. Individual members shall be those persons who have made application and paid membership dues for the current year.
- b. Family memberships shall be those persons who qualify for individual membership and who pay total membership dues of an amount less than that for two individual members. A family unit will receive one newsletter.
- c. Student members shall be those persons who are at least 14 years old and who qualify for individual membership and are currently full time students in an accredited institution. Student dues shall be set by the Board at an amount less than an individual member's dues.
- d. Life members shall be those persons who qualify for individual membership and who pay a one-time fee as set by the Board.
- e. Honorary members shall be those persons or organizations selected by the Board who have preeminently distinguished themselves in service to the community or for furthering the work and objectives of the Association. Honorary members shall pay no dues.
- f. Corporate members shall be businesses or other organizations which support the purpose and objectives of the Association. Corporate dues shall be set by the Board.
- g. Other. Other categories of membership shall be established as deemed appropriate by the Board.

Section 3. DUES.

All members of the Association, with the exception of Honorary and Life Members, shall be liable for payment of annual dues as fixed and established by the Board.

Section 4. TERMINATION OF MEMBERSHIP.

Termination of membership shall occur in any of the following circumstances:

- a. Resignation. Any member may resign and terminate their membership at any time. Upon his or her notice of such termination delivered to the president or secretary of the Association personally or by mail, such membership shall terminate upon the date of delivery of the notice or date of deposit in the mail. No reimbursement for the remainder of any fiscal year's dues shall be made upon such resignation. Any member who resigns may be reinstated by reapplying pursuant to the provisions of this Article.
- b. Upon a failure to renew his or her membership by paying dues on or before their due date shall no longer be a member in good standing. Any member whose dues remain unpaid 60 days after their due date shall automatically be terminated as a member of the Association. Membership may again become available by complying with the other provisions of Article III.
- c. After providing the member with reasonable written notice and an opportunity to be heard either orally or in writing, upon a determination by the board of directors that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the Association may be expelled by a two-thirds vote of the Board. Any person expelled from the Association shall receive a refund of dues already paid for the current dues period.
- d. All rights of a member in the Association shall cease on termination of membership as herein provided.

Section 5. MEMBERSHIP LIST

The Association shall keep a membership list, which may be kept and maintained using electronic media, containing the name and address of each member, the membership class, the commencement date of membership ("Record Date") and a record of whether or not the current dues, if applicable, have been paid. Termination of the membership of any member shall be recorded in the list, together with the date of termination of such membership. Such list shall be kept at the Association's principal office.

Section 6. NONLIABILITY OF MEMBERS

A member of this Association is not, as such, personally liable for the debts, liabilities, or obligations of the Association.

Section 7. NONTRANSFERABILITY OF MEMBERSHIPS

No member may transfer a membership or any right arising there from. All rights of membership cease upon the member's death.

Section 8. VOTING PRIVILEGES OF MEMBERS.

In order to vote all members must currently be in good standing with the Association as of the Record Date of the notice of meeting. There shall be one vote for each Individual, Life, Honorary and Corporate Membership. Each adult member of a Family Membership, provided they are age Eighteen (18) years old or older, shall have one vote. Student members, provided they are Eighteen (18) years old or older, shall have one vote.

Article IV. MEETINGS OF MEMBERS AND ELECTION

Section 1. PLACE OF MEETINGS

Meetings of members shall be held at such place or places as may be designated from time to time by the President or by a resolution of the board of directors.

Section 2. ANNUAL MEETING

The annual meeting of members shall be held in the month of October on a date and at such time and place as designated by the Board for the purpose of electing directors and transacting other business as may come before the meeting.

Section 3. REGULAR MEETINGS

Regular meetings of the members shall be held at a place, date and time to be designated, from time to time, by the Board.

Section 4. SPECIAL MEETINGS OF MEMBERS

Special meetings of the members shall be called by the board of directors, the chairperson of the board, or the president of the Association or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the members.

Section 5. NOTICE OF MEETINGS

Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either

personally or by mail, by or at the direction of the president, or the secretary, or the persons calling the meeting, to each member entitled to vote at such meeting. The record date for determining members entitled to receive notice of a meeting and to vote at said meeting shall be the business day preceding the day on which such notice is given. (Record Date) If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the Association, with postage prepaid. Personal notification includes notification by telephone, facsimile machine, electronic e-mail or any other electronic means permitted by North Carolina law.

The notice of any meeting of members at which directors are to be elected shall also state the names of all those who are nominees or candidates for election to the board at the time notice is given.

Whenever any notice of a meeting is required to be given to any member of this Association under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing signed by the member, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 5. QUORUM FOR MEETINGS

A quorum shall consist of Ten (10) members or 10% of the voting membership of the Association (whichever is smaller).

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

Section 6. MAJORITY ACTION AS MEMBERSHIP ACTION

Every act or decision done or made by a majority of voting members present in person or by written ballot at a duly held meeting at which a quorum is present is the act of the members, unless the articles of incorporation, these bylaws, or provisions of law require a greater number.

Section 7. VOTING RIGHTS

Each member, age Eighteen (18) years old or older, is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by voice vote unless a member attending the meeting in person requests a written vote. Election of Directors, however, shall be by written ballot. Voting by proxy shall be prohibited.

Section 8. ACTION BY WRITTEN BALLOT

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, any action which may be taken at any regular or special meeting of members may be taken without a meeting if the Association distributes a written ballot to each member entitled to vote on the matter. The ballot shall:

1. set forth the proposed action;
2. provide an opportunity to specify approval or disapproval of each proposal;
3. indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, state the percentage of approvals necessary to pass the measure submitted; and
4. shall specify the date by which the ballot must be received by the corporation in order to be counted. The date set shall afford members a reasonable time within which to return the ballots to the corporation.

Ballots shall be mailed or delivered in the manner required for giving notice of membership meetings as specified in these bylaws.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Directors shall be elected by written ballot. Such ballots for the election of directors shall list the persons nominated at the time the ballots are mailed or delivered. The candidates receiving the highest number of votes shall be elected. Each voting member shall cast one vote, with voting being by ballot only.

Section 9. CONDUCT OF MEETINGS

Meetings of members shall be presided over by the president of the Association or, in his or her absence, by the vice president of the Association or, in the absence of all of these persons, by a chairperson chosen by a majority of the voting members present at the meeting. The secretary of the Association shall act as secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by such procedures as may be approved from time to time by the Board of Directors, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

Section 10. ELECTRONIC TRANSACTIONS

The Association may conduct transactions including providing meeting notices, voting, balloting, communication with members and other Association business using electronic communications pursuant to § 55A-1-70 and Article 40 of Chapter 66 of the General Statutes of the State of North Carolina.

Article V. BOARD OF DIRECTORS

Section 1. NUMBER

The corporation shall have not less than five (5) nor more than fifteen (15) directors, as determined from time by time, by the Board, and collectively they shall be known as the Board of Directors.

Section 2. QUALIFICATIONS

Directors shall be of the age of majority in this state and shall be members in good standing with the Association for at least sixty (60) days prior their election.

Section 3. POWERS

Subject to the provisions of the laws of this state and any limitations in the articles of incorporation and these bylaws relating to action required or permitted to be taken or approved by the members of this Association, the activities and affairs of this Association shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors.

Section 4. DUTIES

It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- b. Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- c. Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these bylaws;
- e. Register their addresses with the secretary of the corporation, and notices of meetings mailed or sent electronically to them at such addresses shall be valid notices thereof.

Section 5. TERM OF OFFICE

Except for the initial Board of Directors, each director shall hold office for a period of two (2) years and until his or her successor is elected and qualifies. Upon election of the initial Board of Directors, the Board shall mutually decide, either by consent or by drawing lots, a majority of which of its newly elected directors shall serve either an initial term of two (2) years and a minority of which shall serve a one (1) year term in order to

stagger the term of service on the Board. Directors shall be limited to serving three (3) consecutive terms (Term Limit) not to exceed a total of six (6) consecutive years. Notwithstanding the above, a Director may serve additional non-consecutive terms.

Section 6. COMPENSATION

Directors shall serve without compensation but shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article XI of these bylaws.

Section 7. PLACE OF MEETINGS

Meetings shall be held at a place to be designated from time to time by resolution of the board of directors.

Section 8. REGULAR MEETINGS

Regular meetings of directors shall be held at least once every three (3) months, but may be held more frequently as determined by the president.

Section 9. SPECIAL MEETINGS

Special meetings of the board of directors may be called by the president, the vice president, the secretary, by any two directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the board. Such meetings shall be held at the place designated by the person or persons calling the special meeting.

Section 10. NOTICE OF MEETINGS

Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the board of directors:

- a. Regular Meetings. At least one week prior notice shall be given by the secretary of the Association to each director of each regular meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone, facsimile machine, electronic e-mail or any other electronic means permitted by North Carolina law and shall state the place, date, and time of the meeting.
- b. Special Meetings. At least one week prior notice shall be given by the secretary of the Association to each director of each regular meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone, facsimile machine, or by electronic e-mail or any other electronic means

- permitted by North Carolina law and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting.
- c. Waiver of Notice. Whenever any notice of a meeting is required to be given to any director of this Association under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 11. QUORUM FOR MEETINGS

A quorum shall consist of a majority of the members of the board of directors.

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

Section 12. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board of directors, unless the articles of incorporation, these bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

Section 13. CONDUCT OF MEETINGS

Meetings of the board of directors shall be presided over by the President, or, if no such person has been so designated, or in his or her absence, by the vice president of the Association, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the Association shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by such procedures as may be approved from time to time by the Board of Directors insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

Section 14. VACANCIES

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the Association would then be left without a duly elected director or directors in charge of its

affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.

Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state. Directors are expected to attend all Board meetings. In the event that any director fails to attend three or more consecutive Board meetings, the absent director shall be automatically removed from the Board.

Unless otherwise prohibited by the articles of incorporation, these bylaws, or provisions of law, vacancies on the board may be filled by approval of the board of directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the board of directors or until his or her death, resignation, or removal from office, whichever shall first occur.

Section 15. NONLIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 16. INDEMNIFICATION BY CORPORATION OF DIRECTORS AND OFFICERS

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

Section 17. INSURANCE FOR CORPORATE AGENTS

Except as may be otherwise provided under provisions of law, the board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Association (including a director, officer, employee, or other agent of the Association) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Association would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

Article VI. OFFICERS

Section 1. DESIGNATION OF OFFICERS

The officers of the Association shall be a president, a vice president, a secretary, and a treasurer. The Association may also have one or more vice presidents, assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the board of directors.

Section 2. QUALIFICATIONS

Any person above the age of majority and who is a member of the Association in good standing may serve as officer of this corporation.

Section 3. ELECTION AND TERM OF OFFICE

Officers shall be elected by the board of directors, at any time, and each officer shall hold office for a one year term or unless he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

Section 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the board of directors, at any time. Any officer may resign at any time by giving written notice to the board of directors or to the president or secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the Association.

Section 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

Section 6. DUTIES OF PRESIDENT

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the Association and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of directors, the president shall preside at all meetings of the board of directors and at all meetings of the members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the Association, execute

such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

Section 7. DUTIES OF VICE PRESIDENT

In the absence of the president, or in the event of his or her inability or refusal to act, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors.

Section 8. DUTIES OF SECRETARY

The secretary shall:

Certify and keep at the principal office of the Association the original, or a copy, of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the Association or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof. The book of minutes may be prepared, stored, archived and maintained in electronic form.

Ensure that the minutes of meetings of the Association, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this Association. "Contemporaneously" in this context means that the minutes, consents, and supporting documents shall be recorded in the records of this Association by the later of (1) the next meeting of the board, committee, membership, or other body for which the minutes, consents, or supporting documents are being recorded, or (2) sixty (60) days after the date of the meeting or written consent. The aforementioned documents may be prepared, stored, archived and otherwise maintained in electronic form.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Be custodian of the records of the Association.

Keep at the principal office of the Association a membership list containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership list together with the date

on which such membership ceased. Said membership list may be stored, archived and maintained in electronic form.

Exhibit at all reasonable times to any director of the Association, or to his or her agent or attorney, on request therefor, the bylaws, the membership list, and the minutes of the proceedings of the directors of the Association.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Section 9. DUTIES OF TREASURER

The treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the Association, and deposit all such funds in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the board of directors.

Receive, and give receipt for, monies due and payable to the Association from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the Association as may be directed by the board of directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the Association's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the Association, or to his or her agent or attorney, on request therefor. The aforementioned books of account and financial records may be entered, stored, archived and otherwise maintained in electronic form.

Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the Association.

Prepare, or cause to be prepared, review or cause to be reviewed, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Section 10. COMPENSATION

Officers of the Association shall serve without compensation but shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to officers shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

Article VII. COMMITTEES

Section 1. EXECUTIVE COMMITTEE

The board of directors may, by a majority vote of its members, designate an Executive Committee consisting of three (3) board members and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the Association, to the extent permitted, and, except as may otherwise be provided, by provisions of law.

By a majority vote of its members, the board may at any time revoke or modify any or all of the executive committee authority so delegated, increase or decrease but not below two (2) the number of the members of the executive committee, and fill vacancies on the Executive Committee from the members of the board. The executive committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

Section 2. NOMINATING COMMITTEE

This committee will be responsible for nominating a slate of Board members. The Board shall appoint a board member who will serve as Chair of the Nominating Committee, and will also appoint two additional Association members who are not currently members of the Board. The Nominating Committee will consult with the board members, Officers, and the Association membership to determine nominees. Subject to a majority vote of the committee, members of the Nominating Committee may nominate one or more of its own committee members to the recommended slate of nominees. The Nominating Committee will complete its work in time to publish a recommended slate of board members on the Association website at least four weeks prior to the Annual Meeting. The Nominating Committee will also include in its election slate any member who self-nominates so long as that member is in good standing and submits his or her name to the Nominating Committee at least six weeks prior to the Annual Meeting. Self-nominations will be included in the ballot separately from the recommended slate.

Section 3. FINANCIAL REVIEW COMMITTEE

Once per year the Board will appoint a three-member committee to review the Associations financial records. At least one member of the committee will also be a member of the Board. The committee, with the assistance of the Treasurer, will review all financial documents for the previous year and present a report to the Association at the next Annual Meeting.

Section 4. OTHER COMMITTEES

The Association shall have such other committees as may from time to time be designated by resolution of the board of directors. These committees may consist of persons who are not also members of the board and shall act in an advisory capacity to the board.

Section 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the board of directors or by the committee. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

Article VIII. EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

Section 1. EXECUTION OF INSTRUMENTS

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Association exceeding an amount greater than \$500.00 shall be signed by the treasurer and countersigned by the president of the Association.

Section 3. DEPOSITS

All funds of the Association shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Section 4. GIFTS

The board of directors may, at its sole discretion, accept on behalf of the Association any contribution, gift, bequest, or devise for the nonprofit purposes of this Association.

Article IX. CORPORATE RECORDS, REPORTS, AND SEAL

Section 1. MAINTENANCE OF ASSOCIATION RECORDS

The Association shall keep at its principal office:

- a. Minutes of all meetings of directors, committees of the board and of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- c. A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
- d. A copy of the Association's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the Association at all reasonable times during office hours.
- e. All of the above aforementioned corporate records may be stored in electronic form.

Section 2. CORPORATE SEAL

The Association shall not initially have a corporate seal but the Board of Directors shall have the authority to adopt a corporate seal in the future if needed or so desired.

Section 3. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the Association, and shall have such other rights to inspect the books, records, and properties

of this Association as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

Section 4. MEMBERS' INSPECTION RIGHTS

Each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

- a. To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon written demand on the secretary of the Association, which demand shall state the purpose for which the inspection rights are requested.
- b. To obtain from the secretary of the Association, upon written demand on, and payment of a reasonable charge to, the secretary of the corporation, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available within a reasonable time after the demand is received by the secretary of the Association or after the date specified therein as of which the list is to be compiled.
- c. To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the secretary of the Association by the member, for a purpose reasonably related to such person's interests as a member.

Members shall have such other rights to inspect the books, records, and properties of this Association as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

Section 5. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Section 6. PERIODIC REPORT

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this Association, to be so prepared and delivered within the time limits set by law.

Article X. IRC 501(C)(3) TAX EXEMPTION PROVISIONS

Section 1. LIMITATIONS ON ACTIVITIES

No substantial part of the activities of this Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this Association shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this Association shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. PROHIBITION AGAINST PRIVATE INUREMENT

No part of the net earnings of this Association shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this Association.

Section 3. DISTRIBUTION OF ASSETS

Upon the dissolution of this Association, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Association, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Section 4. PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS

In any taxable year in which this Association is a private foundation as described in Section 509(a) of the Internal Revenue Code, the Association 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

Article XI. CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

Section 1. PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. DEFINITIONS

- a. Interested Person. Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the Association has a transaction or arrangement;
 - 2. A compensation arrangement with the Association or with any entity or individual with which the corporation has a transaction or arrangement; or
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. CONFLICT OF INTEREST AVOIDANCE PROCEDURES

- a. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. **Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- d. **Violations of the Conflicts of Interest Policy.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Board and Board Committee Proceedings

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the

nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation Approval Policies

A voting member of the governing board who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- b. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 - 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 - 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 - 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 - 4. has no material financial interest affected by the compensation arrangement; and

5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
 1. the terms of the compensation arrangement and the date it was approved;
 2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
 5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;

6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Section 6. Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflicts of interest policy;
- b. has read and understands the policy;
- c. has agreed to comply with the policy; and
- d. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in immurement, impermissible private benefit, or in an excess benefit transaction.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article XII. AMENDMENT OF BYLAWS

Section 1. Amendment

Subject to the power of the members of this Association to adopt, amend, or repeal the bylaws of this Association and except as may otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of a supermajority (2/3) vote of the board of directors.

Article XIII. CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this Association filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial directors or incorporators of this Association, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of the twenty four (24) preceding pages, as the bylaws of this Association.

July 6, 2011

Dated: _____

Jake Blood

John Whitehouse

Alan Orovitz