

# HILLSBOROUGH STREET COMMUNITY SERVICE CORPORATION

## AMENDED & RESTATED BYLAWS

*(incorporating amendments through June 20, 2019)*

### ARTICLE I - OFFICES

**Section 1.1 Principal Office.** The principal office of the Corporation shall be located at such place, within or without the State of North Carolina, as shall be determined from time to time by the Board of Directors.

**Section 1.2 Registered Office.** The Corporation shall maintain a registered office in the State of North Carolina as required by law, which may be, but need not be, identical with the principal office.

**Section 1.3 Other Offices.** The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may from time to time determine, or as the affairs of the Corporation may require.

### ARTICLE II - BOARD OF DIRECTORS

**Section 2.1 General Powers.** All corporate powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Board of Directors (sometimes hereinafter “**the Board**”).

**Section 2.2 Number and Tenure.** The number of Directors shall be nineteen (19), comprised as follows:

- (a) Two (2) members representing the City of Raleigh and appointed by the City of Raleigh, to consist of a then-serving Raleigh City Councilor representing the Hillsborough Street Municipal Service District (“**MSD**”) Area and the City Manager or his designee (“**Raleigh Appointees**”);
- (b) Two (2) members appointed by North Carolina State University, to be designated by the Chancellor of North Carolina State University (“**NCSU Appointees**”);
- (c) Fifteen (15) representatives elected by a majority vote of the Board of Directors, based upon nominations received from the Nominations Committee (as defined in Section 2.9) (collectively, the “**HSCSC Appointees**”), subject to the following conditions:
  - 1) Three (3) of the HSCSC Appointees shall be property owners located within the MSD. These shall be comprised of one (1) property owner representative

from each of the East, Middle, and West sections of the MSD. For the purpose of this Section 2.2, “**East**” means that area of the MSD located east of Oberlin Road, “**Middle**” means that area of the MSD located between Oberlin Road and Brooks Avenue, and “**West**” means that area of the MSD located west of Brooks Avenue;

- 2) Four (4) of the HSCSC Appointees shall represent the interests of commercial business owners within the MSD boundaries. These shall be comprised of one (1) commercial business owner from each of the East, Middle, and West sections of the MSD, and one (1) additional retail merchant who may be from any section of the MSD;
  - 3) Two (2) of the HSCSC Appointees shall represent the interests of neighborhoods and residents within the MSD and adjacent to the MSD. These shall be comprised of one (1) resident of the MSD (who must physically reside within the MSD) and one (1) resident of a neighborhood adjacent to the MSD (as determined by the policy of the Board of Directors);
  - 4) One (1) of the HSCSC Appointees shall represent the interests of non-North Carolina State University institutions located within the MSD, which may include churches, educational institutions, or other entities;
  - 5) One (1) of the HSCSC Appointees shall represent the interests of property managers of multifamily, office, or hotel projects located within the MSD;
  - 6) One (1) of the HSCSC Appointees shall represent the interests of the arts and entertainment community in the West Raleigh area; and
  - 7) One (1) of the HSCSC Appointees shall be a representative from student government of North Carolina State University and one (1) of the HSCSC Appointees shall be a representative from student government of Meredith College (collectively, the “**Student Appointees**”); and
  - 8) One (1) of the HSCSC Appointees shall be an at-large member selected by the Board of Directors in its sole discretion.
- (d) In addition to the nineteen (19) Directors listed above, the immediate past Board President shall have the option to serve as a nonvoting, *ex officio* member of the Board for one (1) term of two (2) years after serving as President, if such immediate past Board President has exceeded his three terms.
- (e) The term of each Director shall be from July 1<sup>st</sup> of the year of their appointment, and shall continue for two years. Except as provided in Section 2.2(f), each Director shall have a maximum tenure of three (3) two-year terms, however, Raleigh Appointees and NCSU Appointees shall not be subject to this tenure restriction and may continue

to serve at the discretion of the appropriate appointing authority. Further, an incoming or existing Board President shall be able to serve more than three terms.

- (f) Members of the Board of Directors shall serve for staggered terms of office. Effective April 25, 2013 (the “**Effective Date**”), the Board of Directors shall be divided into two classes: Class A Directors and Class B Directors. The nine (9) Class A Directors shall consist of those four (4) Directors appointed or elected pursuant to Sections 2.2(a) and 2.2(b), those two (2) Directors who are property owners representing the East and West sections of the MSD appointed or elected pursuant to Section 2.2(c)(1), those two (2) Directors who are merchants representing the East and West sections of the MSD appointed or elected pursuant to Section 2.2(c)(2), and the one (1) Director physically residing within the MSD who is appointed or elected pursuant to Section 2.2(c)(3). Each of the remaining ten (10) Directors appointed or elected pursuant to these bylaws shall be Class B Directors. Class A Directors shall be appointed or elected in even-numbered years, provided, however, that the initial Class A Directors shall be appointed or elected in 2013 for a term of three (3) years. Class B Directors shall be elected in odd-numbered years. Presently existing Board members shall continue to serve out their existing terms until July 1<sup>st</sup> of the year in which their term would have expired (the “**Transitional Term**”). During the Transitional Term, each of the existing Board members shall be designated by the current board to fill one of the representative groups as set out in Section 2.2(c).
- (g) Each Director may (but is not required to) appoint one alternate Director (an “**Alternate Director**”) to serve in his or her place at any meeting of the Board of Directors. Alternate Directors shall have full voting authority in the absence of the appointing Director..

**Section 2.3 Resignation.** Any Director may resign at any time by giving written notice to the organization which initially appointed such Director. Such resignation shall take effect at the time specified therein or, if no time is specified, at the time of acceptance by the appropriate organization, provided that, however, the resigning Director shall continue to serve until a replacement Director has been appointed or elected.

**Section 2.4 Vacancies.** Any vacancy in the membership of any Director of the Board occurring because of death, resignation, refusal to serve or otherwise shall be filled by action of the organization which initially appointed such Director. The Raleigh City Council shall appoint a replacement to serve out the remaining term of any vacancy caused by a Raleigh Appointee. The Chancellor of North Carolina State University shall appoint a replacement to serve out the remaining term of any vacancy caused by an NCSU Appointee. If any Director who is not a Raleigh Appointee or NCSU Appointee resigns or otherwise is unable or unwilling to continue to serve on the Board, the Nominations Committee shall bring forth names to the Board, and the Board shall elect a replacement for the Director by majority vote. A Director appointed to fill a vacancy shall be appointed for the unexpired term of such Director’s predecessor in office.

**Section 2.5 Removal.** Any Director may be removed from office by such organization which initially appointed such Director with or without cause.

**Section 2.6 Compensation.** Subject to the provisions of the Articles of Incorporation of the Corporation and applicable law, the members of the Board of Directors shall serve without compensation for their services as such but may be reimbursed for all expenses reasonably incurred by Directors in attending meetings of the Board or of any committee or in the performance of their duties as Directors. Nothing herein contained, shall be construed to preclude any Director from serving the Corporation in any other capacity and, subject to the provisions of the Articles of Incorporation of the Corporation and applicable law, receiving compensation therefor.

**Section 2.7 Committees.** Subject to the provisions of Section 2.9 hereof, the Board of Directors, by resolution adopted by a majority of the number of Directors then in office, may designate and appoint from among its members one or more Committees, each consisting of two or more Directors, who shall serve as members of such Committee at the pleasure of the Board of Directors. The provisions of these Bylaws which govern action without meetings, notice and waiver of notice, and quorum and voting requirements of the board shall apply to Committees of the Board of Directors and their members as well. Each such Committee, to the extent provided in such resolution, shall have and may exercise any or all of the authority of the Board of Directors in the management of the Corporation, except that no such Committee shall have authority to: (a) authorize distributions; (b) approve the dissolution, merger, or consolidation of the Corporation, or the sale, pledge or transfer of all or substantially all of the Corporation's assets; (c) elect, appoint or remove Directors, or fill vacancies on the Board of Directors or its Committees; or (d) adopt, amend or repeal the Articles of Incorporation or Bylaws. Nothing herein shall preclude the Board of Directors from establishing and appointing any Committee, whether of Directors or otherwise, not having or exercising the authority of the Board of Directors.

**Section 2.8 Ex Officio Members of the Board of Directors.** The Board of Directors, by resolution adopted by a majority of the number of Directors then in office, may from time to time designate and appoint *ex officio* members of the Board of Directors (the "**Ex Officio Directors**"). The *Ex Officio* Directors shall participate in meetings of the Board of Directors, but shall not have any authority to act as a member of the Board of Directors, including but without limitation the right to vote. The number of such *Ex Officio* Directors shall be in the sole discretion of the Board of Directors. Each *Ex Officio* Director shall serve an initial term of two (2) years, and the Board of Directors shall have the authority to reappoint any *Ex Officio* Director for any number of additional subsequent terms. The *Ex Officio* Directors shall serve at the pleasure of the Board of Directors and may be removed at any time, with or without notice and/or cause. Notwithstanding anything the contrary contained herein, in the event that a then-serving Raleigh City Councilor representing the MSD is not otherwise a member of the Board of Directors, then such Raleigh City Councilor shall be an *ex officio* member of the Board of Directors.

**Section 2.9 Nominations Committee.**

- (a) General statement. The role of the Nominations Committee is to lead the process for identifying candidates for appointment as members of the Board of Directors and to make recommendations to the Board regarding the same. The Nominations Committee Chairman, who shall be the President, shall report formally to the Board

- on its proceedings after each Nominations Committee meeting on matters discussed at the meeting. The Nominations Committee shall review annually its terms of reference and its effectiveness and shall recommend to the Board any changes required as a result of such a review.
- (b) **Composition; Selection of Nominations Committee Members.** The Nominations Committee shall consist of the President and at least four (4) additional members of the Board of Directors as appointed by the Nominations Committee Chairman, provided that the additional members shall include at least one of the Raleigh Appointees, at least one of the NCSU Appointees, at least one Director elected pursuant to Section 2.2(c)(1), and at least one Director elected pursuant to 2.2(c)(2). The President shall nominate and the Board shall approve members of the Nominations Committee on an annual basis. Notwithstanding the foregoing, in its first year the Nominations Committee shall consist of the President, one of the Raleigh Appointees, one of the NCSU Appointees, and one Director elected pursuant to 2.2(c)(2).
  - (c) **Leadership; Voting.** The President shall chair the Nominations Committee. The Nominations Committee shall operate with a quorum of three. No person other than the members of the Nominations Committee is entitled to be present at Nominations Committee meetings, but non-members may be invited by the Nominations Committee to attend.
  - (d) **Frequency of Nominations Committee meetings.** The Nominations Committee will meet at its discretion, but at a minimum as needed in order to fulfill its responsibilities to provide nominees to the Board of Directors.
  - (e) **Guidance.** The Board will furnish a Policy Document that will guide the Nominations Committee in recruiting individuals to the board to fill specific needs of the organization and further the mission of the organization. The designations of the elected members of the board (business, neighborhood, student, etc.) are intended to be guidelines for the Nominations Committee to consider in ensuring representation from the broader stakeholder groups interested in the activities of the HSCSC, and not reservations of these Board positions for specific groups or organizations.
  - (f) **Responsibilities.**
    - 1) The Nominations Committee shall develop and provide to the Board its slate of nominees for Directors. The Nominations Committee shall provide its recommendation so as to give the Board sufficient time to review the slate, and in all circumstances so as to give sufficient time for the new Directors to be elected prior to July 1.
    - 2) The Nominations Committee shall annually develop and provide to the Board its recommended slate of Officers of the Corporation, including, at a minimum, recommendations for President, Vice President, Treasurer and Secretary. The

Nominations Committee shall provide its recommendation so as to give the Board sufficient time to review the slate, and in all circumstances so as to give sufficient time for the new Officers to be elected prior to July 1.

- 3) The Nominations Committee shall establish a process for nominating board members to fill vacancies on the Board, taking into consideration the makeup of the Board at the time of nomination and the class of each Director and vacancy as discussed in Section 2.2(f).

### **ARTICLE III - MEETINGS OF DIRECTORS**

**Section 3.1 Quarterly Meetings; Annual Meeting.** The Board of Directors shall hold regularly quarterly meetings. In addition, a regular annual meeting of the Board of Directors shall be held each year, which annual meeting shall coincide with one of the quarterly meetings, for the purpose of electing Directors of the Corporation and for the transaction of such other business as may properly be brought before the meeting. In addition, the Board of Directors may hold additional regular meetings at such times and in such locations as determined in the sole and absolute discretion of its members.

**Section 3.2 Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the President or any one Director. Such meetings may be held either within or without the State of North Carolina. Such special meetings shall be held upon such notice as required by Section 3.3.

**Section 3.3 Notice of Meetings.** Regular meetings of the Board of Directors may be held without notice.

The person or persons calling a special meeting of the Board of Directors shall give notice of the meeting to the Directors by any usual means of communication. If such notice is given to a Director in writing by mail, then it shall be mailed, correctly addressed to such Director with postage prepaid, no later than five (5) days prior to the date of the meeting. If such notice is given to a Director in writing otherwise than by mail, then it shall be given so that it is received by such Director no later than two (2) days prior to the meeting. If such notice is given orally to a Director, then it shall be communicated orally to such Director no later than two (2) days prior to the meeting. Delivery or completion of transmission of written notice to the address of a Director shall be deemed receipt by such Director, and any such written notice given to a Director by mail that is not timely mailed shall nevertheless be valid and effective if so received by such Director no later than two (2) days prior to the date of the meeting. The person or persons giving such notice may conclusively presume that the address of a Director to which such notice is to be directed is the business address of such Director appearing in the Corporation's most current internal records, unless prior to the sending of such notice such Director has given such person or persons notice of a different address to which notices to such Director should be directed.

A Director's attendance at or participation in a meeting shall constitute a waiver by such Director of notice of such meeting, unless the Director at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or to the transaction of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**Section 3.4 Quorum.** A majority of the number of Directors then serving in that capacity shall be required for, and shall constitute, a quorum for the transaction of business at any meeting of the Board of Directors.

**Section 3.5 Manner of Acting.** Except as otherwise provided in these Bylaws or required by applicable law, the affirmative vote of a majority of the Directors present at a meeting of the Board of Directors shall be the act of the Board of Directors, if a quorum is present when the vote is taken.

**Section 3.6 Presumption of Assent.** A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless a contrary vote is recorded or a dissent is otherwise entered in the minutes of the meeting or unless he or she shall file a written dissent at such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

**Section 3.7 Organization.** Each meeting of the Board of Directors shall be presided over by the President, or, in the absence or at the request of the President, by the Vice President, and in their absence or at their request, by any person selected to preside by vote of a majority of the Directors present. The Secretary, or in the absence or at the request of the Secretary, any person designated by the person presiding at the meeting, shall act as secretary of the meeting.

**Section 3.8 Action Without Meeting.** Action required or permitted to be taken by the Board of Directors or a Committee at a meeting may be taken without a meeting if one or more written consents describing the action taken are signed by each of the Directors or members of the Committee, as the case may be, whether before or after the action so taken, and filed with corporate records or the minutes of the proceedings of the Board or Committee. Action so taken is effective when the last Director or Committee member signs such consent, unless the consent specifies a different effective date. Such consent has the effect of a meeting vote and may be described as such in any document.

**Section 3.9 Participation by Conference Telephone.** Any one or more Directors or members of a Committee may participate in a meeting of the Board of Directors or Committee by means of a conference telephone or similar communications device that allows all Directors participating in the meeting to simultaneously hear each other during the meeting, and a Director participating in a meeting by such communication device shall be deemed present in person at such meeting.

## ARTICLE IV - OFFICERS

**Section 4.1 General.** The Officers of the Corporation shall consist of a President, a Vice-President, a Secretary and a Treasurer, and may also include Assistant Secretaries, Assistant Treasurers and such other Officers as may be appointed by the Board of Directors or otherwise provided in these Bylaws. Any two or more offices may be simultaneously held by the same person, but no person may act in more than one capacity where action of two or more Officers is required. The title of any Officer may include any additional designation descriptive of such Officer's duties as the Board of Directors may prescribe. In addition, the Board of Directors may from time to time elect such honorary Officers, including an honorary President, as the Board, in its discretion, deems advisable and in the best interest of the Corporation.

**Section 4.2 Qualification, Appointment and Term.** The Officers of the Corporation shall be elected by the Board of Directors prior to July 1<sup>st</sup> of each year, based upon consideration of the recommendation made by the Nominations Committee, and may serve simultaneously as Officers and Directors of the Corporation. Officers shall be elected by the majority vote of the Board. The Board of Directors may authorize a duly appointed Officer to appoint one or more other Officers or assistant Officers, other than appointment of the President. The Officers of the Corporation shall serve one (1) year terms, provided however that each Officer shall serve at the pleasure of the Board of Directors and may be removed at any time by the Board of Directors, with or without cause.

**Section 4.3 Removal.** Any Officer may be removed by the Board of Directors at any time, with or without cause, but such removal shall not itself affect the contract rights, if any, of the person so removed.

**Section 4.4 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

**Section 4.5 Compensation.** The compensation of all Officers of the Corporation shall be fixed by, or in the manner prescribed by, the Board of Directors.

**Section 4.6 President.** Subject to the control of the Board of Directors, the President, in general, shall supervise and control all of the affairs of the Corporation. The President shall sign, with the Secretary, an Assistant Secretary, or any other proper Officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, leases, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other Officer or agent of the Corporation. In general, the President shall perform all duties incident to the office and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 4.7 Vice President.** In the absence of the President or in the event of his or her death, inability or refusal to act, the Vice President, if one has been appointed 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. The Vice President shall perform such other duties as may be assigned to him or her from time to time by the President or by the Board of Directors.

**Section 4.8 Secretary.** The Secretary shall have the responsibility and authority to (a) maintain and authenticate the records of the Corporation; (b) keep, or cause to be kept, accurate records of the acts and proceedings of all meetings of Directors and committees; (c) give, or cause to be given, all notices required by law and by these Bylaws; (d) have general charge of the corporate books and records and of the corporate seal; (e) affix the corporate seal to any lawfully executed instrument requiring it; (f) keep, or cause to be kept, all records required by applicable law or these Bylaws; (g) sign such instruments as may require the signature of the Secretary; and (h) in general, perform all duties incident to the office of Secretary and such other duties as may be assigned to him or her from time to time by the President or the Board of Directors.

**Section 4.9 Treasurer.** The Treasurer shall be responsible for all funds and securities belonging to the Corporation; shall keep, or cause to be kept, full and accurate accounts of the finances of the Corporation in books especially provided for that purpose, and shall generally have charge over the Corporation's accounting and financial records. The Treasurer shall also prepare and file, or cause to be prepared and filed, all reports and returns required by Federal, State or local law and shall generally perform all other duties incident to the office of Treasurer and such other duties as may be assigned to him or her from time to time by the President or the Board of Directors.

**Section 4.10 Assistant Secretaries and Assistant Treasurers.** The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary or the Treasurer, respectively, have all the powers and perform all of the duties of those offices, and they shall in general perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

**Section 4.11 Bonds.** The Board of Directors may by resolution require any Officer, agent, or employee of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on 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 4.12 Executive Committee.** An Executive Committee of the Board will be established, consisting of the President, Vice President, Treasurer, Secretary, and Executive Director. The Executive Committee will have the ability to take formal action on routine budget, financial and personnel matters between officially scheduled full Board meetings. The Officers will be chosen by majority vote of the Board. The Executive Committee shall be the President, Vice President, Treasurer, Secretary and Executive Director. The Executive Committee may hold meetings at such times and in such locations as determined in the sole and absolute discretion of its members.

## ARTICLE V - CONTRACTS, LOANS AND DEPOSITS

**Section 5.1 Contracts.** The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any document or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Any resolution of the Board of Directors authorizing the execution of documents by the proper Officers of the Corporation or by the Officers generally and not specifying particular Officers shall be deemed to authorize such execution by the President or by any other Officer if such execution is within the scope of the duties of such other office. The Board of Directors may by resolution authorize such execution by means of one or more facsimile signatures.

**Section 5.2 Loans.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**Section 5.3 Checks and Drafts.** All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such Officer or Officers, agent or agents of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

**Section 5.4 Deposits.** All funds of the Corporation not otherwise employed or invested shall be deposited from time to time to the credit of the Corporation in such depositories as the Board of Directors directs.

## ARTICLE VI - RECORDS AND REPORTS

**Section 6.1 General.** The Corporation shall keep all records and submit and file all reports and filings as are required by applicable law. Unless the Board of Directors otherwise directs, the Treasurer shall be responsible for keeping, or causing to be kept, all financial and accounting records of the Corporation and for submitting or filing, or causing to be submitted or filed, all reports and filings of a financial or accounting nature, and the Secretary shall be responsible for keeping, or causing to be kept, all other records and for submitting or filing, or causing to be submitted or filed, all other reports and filings.

The Corporation shall keep as permanent records minutes of all meetings of its Board of Directors, a record of all actions taken by the Board of Directors without a meeting, and a record of all actions taken by Committees of the Board of Directors. The Corporation shall maintain appropriate accounting records. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

**Section 6.2 Records at Principal Office.** The Corporation shall keep a copy of the following records at the Corporation's principal office: (a) its Articles of Incorporation and all amendments to them currently in effect; (b) its Bylaws and all amendments to them currently in effect; (c) a list of the names and business or home addresses of its current Directors and Officers;

and (d) its most recent report required to be filed with the North Carolina Secretary of State pursuant to the North Carolina Nonprofit Corporation Act.

## ARTICLE VII - GENERAL PROVISIONS

**Section 7.1 Seal.** The corporate seal of the Corporation shall consist of two concentric circles between or within which are the name of the Corporation, the state of incorporation, the year of incorporation and the word "SEAL." The seal may be used by causing it or a facsimile thereof to be impressed, affixed, stamped or reproduced by any means. Any Officer of the Corporation authorized to execute or attest a document on behalf of the Corporation may affix or reproduce on such document, as and for the corporate seal of the Corporation, a seal in any other form sufficient to evidence that it is intended by such Officer to represent the corporate seal of the Corporation, in which case such seal shall be as effective as the corporate seal in the form herein prescribed.

**Section 7.2 Notice and Waiver of Notice.** Except as otherwise provided in the Articles of Incorporation or these Bylaws, any notice permitted or required to be given pursuant to these Bylaws may be given in any manner permitted by applicable law and with the effect therein provided. Whenever any notice is required to be given to any person under the provisions of the North Carolina Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice and included in the minutes or filed with the corporate records, whether done before or after the time stated in the notice, shall be equivalent to the giving of such notice.

**Section 7.3 Fiscal Year.** The fiscal year of the Corporation shall be July 1 through June 30.

**Section 7.4 Indemnification.** Any person who at any time serves or has served as a Director or Officer of the Corporation shall have a right to be indemnified by the Corporation to the fullest extent permitted by the North Carolina Nonprofit Corporation Act against (a) expenses, including reasonable attorneys' fees, actually and necessarily incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, whether formal or informal, and whether or not brought by or on behalf of the Corporation, arising out of his or her status as such Director or Officer or his or her service, at the request of the Corporation, as a Director, Officer, partner, trustee, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan, or his or her activities in any of the foregoing capacities, and (b) any liability incurred by him or her, including without limitation, satisfaction of any judgment, money decree, fine (including any excise tax assessed with respect to an employee benefit plan), penalty or settlement, for which he or she may have become liable in connection with any such action, suit or proceeding; provided, however, that such provisions shall not be applicable to, or eliminate or limit the liability of a Director or Officer for (a) any breach of that person's duty of loyalty to the Corporation, (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) actions that were, at the time taken, known or believed by the person to be clearly in conflict with the best interest of the Corporation or (d) any transaction from which the subject person derived an improper personal benefit

The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Bylaw, including without limitation, to the extent necessary, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him or her.

Expenses incurred by a Director or Officer in defending an action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to pay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation against such expenses.

Any person who at any time after the adoption of this Bylaw serves or has served as a Director or Officer of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein, and any modification or repeal of these indemnification provisions shall be prospective only and shall not affect any rights or obligations existing at the time of such modification or repeal. Such rights shall inure to the benefit of the legal representatives of any such persons, shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this Bylaw.

The Board of Directors may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Corporation against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him or her against such liability.

**Section 7.5 Construction.** All personal pronouns used in these Bylaws shall include persons of any gender. All terms used herein and not specifically defined herein but defined in the North Carolina Nonprofit Corporation Act shall have the same meanings herein as given under the North Carolina Nonprofit Corporation Act, unless the context otherwise requires.

**Section 7.6 Amendments.** These Bylaws may be amended or repealed and new bylaws may be adopted by the Board of Directors upon an affirmative vote of a majority of Directors then in office; provided, that no amendment to the Bylaws may be approved by the Board of Directors at a meeting unless the notice of the meeting states that a purpose of the meeting is to amend the Bylaws.