

**ARTICLES OF INCORPORATION
OF
THE BLUE AND GOLD ALUMNI SCHOLARSHIP**

**ARTICLE 1
NAME**

The name of this corporation is The Blue and Gold Alumni Scholarship. The principal office or headquarters for the transaction of business shall be located at 202 W Spring St., Elkin, located within the County of Surry and State of North Carolina. The Blue and Gold Alumni Scholarship shall have and shall continuously maintain corporation status in the State of North Carolina as a registered office and agent.

**ARTICLE 11
DURATION**

The period of duration is perpetual.

**ARTICLE 111
PURPOSE**

The corporation is organized as a public non-profit, 501-C3 organization whose primary purpose is to support the students past and present of Elkin City Schools through the "Blue and Gold Alumni Scholarship Program" and through other programs and projects which may arise that will aid the educational goals of the school system.

**ARTICLE IV
REGISTERED OFFICE/AGENT**

The street address of the initial registered office is 202 W. Spring St., Elkin, North Carolina 28621. The name of the initial registered agent at said address is Mr. Doug Reinhardt.

**ARTICLE V
BOARD OF DIRECTORS**

The initial Board of Directors and the name and addresses of the persons who are to serve as Directors or until such time as their successors are elected and qualified are as follows:

- President:** Mr. Doug Reinhardt
147 E Edison Dr
Statesville, North Carolina 28625
The President/Chairman of the Board is the chief executive of the Board and subject to the supervision and review of the Board. He/she shall have general charge of the business affairs and property of the organization. He/she shall preside at all meetings of the organization. He/she shall preside at all meetings of the organization and perform all duties and have all powers incident to the president/Chairman, and such other powers and duties assigned to him/her by the Executive Board or Board.
- Vice President:** Mr. Rick Hurt
3409 Daniel Place Dr.
Charlotte, North Carolina 28213
The Vice-President shall perform such duties and have powers as assigned by these Bylaws or the Board. In the absence or disability of the President he shall perform all the duties of the President and with the same restrictions.

Treasurer:

Mrs. Pratt Davis
3945 Fox Ridge Road
Sparta, North Carolina 28675

The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate records of all receipts and disbursements in books belonging to the Corporation. The treasurer shall cause all monies and other valuable assets of the Corporation to be deposited in such depositories as may be designated by the Board and shall cause the funds to be disbursed when such disbursements shall have been authorized, taking proper vouchers for such disbursement and shall render to the Board an account of the transactions and of the financial conditions of the Corporation. The Treasurer shall perform all the duties assigned by the Bylaws and other duties as may be assigned by the Board and shall coordinate the investments of funds, the income from the donations and the disbursement of funds for scholarships etc. with the Board.

Secretary:

Mrs. Betty Holthouser
307 West Walker Road
Elkin, North Carolina 28621

The Secretary shall keep all records and documents of the Association. He/she shall keep the contact information for all officers and the Board. The Secretary shall keep minutes of the proceedings of all meetings of the Corporation Board of Directors and Executive Committee and deliver copies to each director within 10 days after the meeting. He/she shall perform all of the duties assigned by the Bylaws and any other duties which shall from time to time be assigned by the Board.

ARTICLE VI

***ARTICLE VII
INDEMNIFICATION***

The corporation does hereby indemnify any and all Directors, Officers, employees, Incorporators and/or Shareholders of the corporation from any and all liability with regards to the corporation and the business of the corporation, unless the person fraudulently and intentionally violated the law and/or maliciously conducted acts to damage and/or defraud the corporation, or as otherwise provided under applicable North Carolina State Corporation Statue.

***ARTICLE IX
CORPORATE GOVERNANCE***

All other matters regarding the Corporation’s rules of corporate governance are contained within Corporation’s bylaws.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of North Carolina, we the undersigned constituting the Directors or Incorporators of this Corporation, have executed these Articles of Incorporation on September 27, 2022.

(President)

(Vice-President)

Treasurer)

STATE OF NORTH CAROLINA

COUNTY OF SURRY

On the date, _____, before me a notary public, the undersigned authority, the following personally appeared:

Members of the Board:

Mr. Doug Reinhardt
Mr. Rick Hurt
Mrs. Pratt Davis
Mrs. Betty Holthouser

Dr. Jim Harrell, Jr.
Ms. Teresa Brown
Ms. Maureen McCartan

Incorporators:

known to me or have satisfactorily proven that they are the Directors or Incorporators of the Articles of Incorporation, that they signed the aforementioned document as such, and that the statements contained therein are true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year as written above.

(Signature Notary Public)

(Printed Name of Notary Public)

My Commission Expires: _____

(Secretary)

NON-PROFIT BYLAWS OF THE BLUE AND GOLD ALUMNI SCHOLARSHIP

PREAMBLE

The following Bylaws shall be subject to, and governed by, the Non-Profit Corporation Act of North Carolina and the Articles of incorporation of The Blue and Gold Alumni Scholarship. In the event of a direct conflict between the herein contained provisions of these Bylaws and the mandatory provisions of the Non-Profit Corporation Act of North Carolina, said Non-Profit Corporation Act shall be the prevailing controlling law. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of Corporation/Organization, it shall be these Bylaws which shall be controlling.

ARTICLE 1 - NAME

The legal name of the Public, Non-Profit Corporation/Organization shall be known as **The Blue and Gold Alumni Scholarship** and shall herein be referred to as the "Corporation".

ARTICLE 2 - PURPOSE

The general purposes for which this Corporation has been established are as follows:

The purpose for which the Non-Profit Corporation/Organization is formed is set-forth in the attached Articles of Incorporation: a public non-profit to support the students, past and present, of the Elkin City Schools through the Blue and Gold Scholarship Program and through other projects and programs which may arise that will aid the educational goals of the school system.

The Corporation/Organization is established within the meaning of IRS Publication 557 Section 501(c)(3) Organization of the Internal Revenue Code of 1986, as amended (the "Code) or the corresponding section of any future federal tax code and shall be operated exclusively for/to **educational** purposes.

The Corporation/Organization shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of North Carolina and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Corporation/Organization. At no time and in no event shall the Corporation/Organization participate in any activities which have not been permitted to be carried out by the Corporation/Organization exempt under Section 501(c) of the internal Revenue Code of 1986 (the "Code"), such as certain political and legislative activities.

ARTICLE 3 - OFFICES

The principal office of the Corporation shall be located at 202 W. Spring St. in Elkin, North Carolina 28621.

The Corporation/Organization may have other such offices as the Board of Directors may determine or deem necessary, or as the affairs of the Corporation/Organization may find a need for from time to time, provided that any permanent change of address for the principal office is properly reported as required by law.

ARTICLE IV - DEDICATION OF ASSETS

The properties and assets of the Corporation/Organization are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings, properties, or assets of this Corporation/Organization, on dissolution or otherwise, shall inure to the benefit of any person or any member, director, or officer of this Corporation/Organization. On liquidation or dissolution, all remaining properties and assets of the Corporation/Organization shall be distributed and paid over to an organization dedicated to non-profit purposes which has established its tax-exempt status pursuant to Section 501(c) of the Code.

ARTICLE 5 - BOARD OF DIRECTORS

General Powers and Responsibilities

The Corporation/Organization shall be governed by a Board of Directors (the "Board"), which shall have all the rights, powers, privileges and limitations of liability of directors of a non-profit corporation organized under the Non-Profit Corporation Act of North Carolina. The Board shall establish policies and directives governing business and programs of the Corporation/Organization and shall delegate to the Executive Director and Corporation/Organization staff, subject to the provisions of these Bylaws, authority and responsibility to see that the policies and directives are appropriately followed.

Number and Qualifications

The Board shall have up to 15 members, but no fewer than three (3) Board members. The number of Board members may be increased beyond 15 members by the affirmative vote of a two-thirds majority of the then-serving Board of Directors. A Board member need not be a resident of the State of North Carolina.

In addition to the regular membership of the Board, representatives of such other organizations or individuals as the Board may deem advisable to elect shall be Ex-Officio Board Members, which will have the same rights and obligations, as the other directors except the power to vote unless specified.

Board Compensation

The Board shall receive no compensation other than for reasonable expenses. However, provided the compensation structure complies with Sections relating to "Contracts involving Board Members and/or Officers" as stipulated under these Bylaws, nothing in these Bylaws shall be construed to preclude any Board member from serving the Corporation/Organization in any other capacity and receiving compensation for services rendered.

Board Elections

The Board of Directors shall present nominations for new and renewing Board members every two years. New and renewing Board members shall be approved by simple majority of those Board members at the Board meeting at which a quorum is present.

Term of Board

All appointments to the Board shall be for a term of three (3) years. No person shall serve more than 4 consecutive terms unless a majority of the Board, during the course of a Board meeting at which a quorum is present, votes to appoint a Board member to 3 additional year(s). After serving the maximum total number of consecutive years on the Board, a member may be eligible for reconsideration as a Board member after 1 year has passed since the conclusion of such Board member's service.

Vacancies

Any vacancy on the Board may be filled by simple majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

A board member elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Except as provided in the paragraph, any director may resign effective upon giving written notice to the chair of the Board, the president of Corporation/Organization, the secretary of Corporation/Organization, or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective. Unless the Attorney General of North Carolina is first notified, no director may resign when the Corporation/Organization would then be left without a duly elected director in charge of its affairs.

Resignation

Each Board member shall have the right to resign at any time upon written notice thereof to the Chair of the Board, Secretary of the Board, or the Executive Director. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

Removal

A Board member may be removed, at any duly constituted meeting of the Board, by the affirmative vote of a simple majority of then-serving Board members.

Meetings

The Board's regular meetings may be held at such time and place as shall be determined by the Board. The Chair of the Board or any 3 regular Board members may call a special meeting of the Board with 1 days' written notice provided to each member of the Board. The notice shall be served upon each Board member via hand delivery, regular mail, email, or fax. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place to hold any special meeting of the Board. Recommend to the Board if an audit is needed, the type of audit and the filings required for any particular year.

Minutes

The Secretary shall be responsible for the recording of all minutes of each and every meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. However, in the event that the Secretary is unavailable, the Chair of the Board shall appoint an individual to act as Secretary at the meeting. The Secretary, or the individual appointed to act as Secretary, shall prepare the minutes of the meeting, which shall be delivered to the Corporation/Organization to be placed in the minute books. A copy of the minutes shall be delivered to each Board member via either regular mail, hand delivered, emailed, or faxed within 10 business days after the close of each Board meeting.

Action By Written Consent

Any action required by law to be taken at a meeting of the Board, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all Board members. The number of directors in office must constitute a quorum for an action taken by written consent. Such consent shall be placed in the minute book of the Corporation/Organization and shall have the same force and effect as a vote of the Board taken at an actual meeting. The Board members' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signature or other electronic "consent click" acknowledgments shall be effective as original signatures.

Quorum

At each meeting of the Board of Directors, the presence of a majority of Board members shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of members and a vote results in a tie, then the vote of the Chair of the Board shall be the deciding vote. The act of the majority of the Board members serving on the Board or Committees and present at a meeting in which there is a quorum shall be the act of the Board or Committees, unless otherwise provided by the Article of Incorporation, these Bylaws, or a law specifically requiring otherwise. If a quorum is not present at a meeting, the Board members present may adjourn the meeting from time to time without further notice until a quorum shall be present. However, a Board member shall be considered present at any meeting of the Board or Committees if during the meeting he or she is present via telephone or electronic media with the other Board members participating in the meeting. The Board may on some matters, approved by the chairman/President, vote asynchronously by electronic medium, whereby a proposal is made and a deadline to vote is stated. At that time the votes are counted and if a majority of Board members have noted a quorum is declared and the results confirmed.

Voting

Each Board member shall only have one vote.

Proxy

Members of the Board shall be allowed to vote by written proxy.

Board Member Attendance

An elected Board Member who is absent from 3 consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the Chair of the Board his/her commitment to the Corporation/Organization. the Board may deem a Board member who has missed 3 consecutive meetings without such a reevaluation with the Chair, to have resigned from the Board.

ARTICLE 6 - OFFICERS

Officers and Duties

The Board shall elect officers of the Corporation/Organizations as defined in these Bylaws or designated by Board resolution. The same person may hold any number of offices, with the exception that the same person may only sign instruments in one capacity when the signature of two officers are required. In addition to the duties in accordance with this Article, officers shall conduct all other duties typically pertaining to their offices and other such duties which may be required by law, Articles of Incorporation, or by these bylaws, subject to control of the Board of Directors, and they shall perform any other such additional duties which the Board of Directors may assign to them at their discretion.

The officers will be selected by the Board and shall serve the needs of the Board, subject to all the rights; if any, of any officer who may be under contract of employment, Therefore, without any bias or predisposition to the rights of any officer that may be under any contract of employment, any officer may be removed by the Board. All officers have the right to resign at any time by providing notice in writing to the Chair of the Board, President and/or Secretary of the Corporation/Organization, without bias or predisposition to all rights, if any, of the Corporation/Organization under any contract to which said officer is a part thereof. All resignations shall become effective upon the date on which the written notice of resignation is received or at any time later as may be specified within the resignation; and unless otherwise indicated within the written notice, a stated acceptance of the resignation shall not be required to make the resignation effective.

Any and all vacancies in any office because of death, resignation, disqualification, removal or for any other cause, shall be filled in accordance with the herein prescribed Bylaws for regular appointment to such office. The compensation, if any, of the officers shall be fixed or determined by resolution of the Board of Directors.

Chair of the Board/President

It shall be the responsibility of the Chair of the Board, when present, to preside over all meetings of the Board of Directors and Executive Committee. The Chair of the Board is authorized to execute, in the name of the Corporation/Organization, any and all contracts or other documents which may be authorized, either generally or specifically, by the Board to be executed by the Corporation/Organization.

It shall be the responsibility of the Chair of the Board/President, in general, to supervise and conduct all activities and operations of the Corporation/Organization, subject to the control, advice and consent of the Board of Directors. The President shall keep the Board of Directors completely informed, shall freely consult with them in relation to all activities of the Corporation/Organization, and shall see that all orders and/or resolutions of the Board are carried out to the effect intended. The Chair of the Board/President shall be empowered to act, speak for, or otherwise represent the Corporation/Organization between meetings of the Board. The Chair of the Board/President, at all times, is authorized to contract, receive, deposit, disburse and account for all funds of the Corporation/Organization, to execute in the name of the Corporation/Organization all contracts and other documents authorized either generally or specifically by the Board to be executed by the Corporation/Organization, and to negotiate any all and material business transactions of the Corporation/Organization. The Chair of the Board/President shall be an ex office member with a vote on all committees.

Vice Chair of the Board

It shall be the responsibility of the Chair of the Board/President or in the event of his/her inability or refusal to act, it shall then be the responsibility of the Vice Chair of the Board to perform all the duties of the Chair of the Board/President and in doing so, he/she shall have all authority and powers of and shall be subject to all of the restrictions of the Chair of the Board.

Secretary

The Secretary, or his/her designee, shall be the custodian of all records and documents of the Corporation/Organization, which are required to be kept at the principal office of the Corporation/Organization, and shall act as secretary at all meetings of the Board of Directors and shall keep the minutes of all such meetings on file. She/he shall attend to the giving and serving of all notices or the Corporation/Organization.

Treasurer (Chief Financial Officer)

It shall be the responsibility of the Treasurer to keep and maintain, or cause to be kept and maintained, adequate and accurate accounts of all the properties and business transactions of Corporation/Organization, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements.

The Treasurer shall be responsible for ensuring the deposit of, or cause to be deposited, all money and other valuables as may be designated by the Board of Directors. Furthermore, the Treasurer shall disburse, or cause to be disbursed, the funds of the Corporation/Organization, as may be ordered by the Board of Directors, and shall render to the Chair of the Board/President, and directors, whenever they request it, an account of all the Treasurer's transactions as treasurer and of the financial condition of the Corporation/Organization.

The Treasurer or whoever she designates to disburse funds and deposit funds shall give the Corporation/Organization a bond, if so requested and required by the board of Directors, in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the Treasurer's office and the restoration to the Corporation/Organization of all its books, papers, vouchers, money and other property of each kind in the Treasurer's possession or under the Treasurer's control upon the Treasurer's death, resignation, retirement, or removal from the office. The Corporation/Organization shall pay the cost of such a bond.

ARTICLE 7 - COMMITTEES

Committees of Directors

The Board of Directors may, from time to time, and by resolution adopted by a majority of the directors then in office provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. Each such committee shall consist of at least two (2) members, and may also include persons who are not on the Board but whom the directors believe to be reliable and competent to serve at the specific committee. However, committees exercising any authority of the Board of Directors may not have any non-director members. The Board may designate one or more alternative members of any committee to replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

- a) Approve of any action that, pursuant to applicable Law, would also require the affirmative vote of the members of the Board if this were a membership vote.
- b) Fill vacancies on, or remove the members of, the Board of Directors or any committee that has the authority of the Board
- c) Fix compensation of the director serving on the Board or on any committee.
- d) Amend or repeal the Articles of Incorporation or or Bylaws or adopt new Bylaws.
- e) Amend or repeat any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- f) Appoint any other committees of the Board of Directors or their members.
- g) Approve a plan of merger, consolidation, voluntary dissolution, bankruptcy, or reorganization; or plan for the sale, lease, or exchange of all or considerably all of the property and assets of the Corporation/Organization otherwise than in the usual and regular course of its business; or revoke any such plan.
- h) Approve any self-dealing transaction, except as provided pursuant to law.

Unless otherwise authorized by the Board of Directors, no committee shall bind the Corporation/Organization in a contract agreement or expend Corporation/Organization funds.

Executive Committee

Pursuant to Article 7 - Committees, the Board shall appoint an Executive Committee composed of a minimum of two (2) members, to serve on the Executive Committee of the Board. The Executive Committee, unless limited in a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation/Organization between meetings of the Board, provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Article 7 - Committee of Directors. The Secretary of the Corporation/Organization shall send to each director a summary report of the business conducted in any meeting of the Executive Committee.

Audit Committee

The Board, at its sole discretion, shall create an Audit Committee, which may continually review the operations of the corporation to ensure its financial integrity. It may be composed of one or more persons including persons other than directors of the Corporation/Organization. The Audit Committee shall make recommendations to the Board of Directors regarding the hiring and termination of an auditor, who shall be an independent certified public accountant, and may be authorized by the Board to negotiate the auditor's salary. The Audit Committee may consult with the auditor to assure its members that the financial affairs of the Corporation/Organization are in order. The Board may designate one or more alternative members of any committee to replace any absent member at any meeting of the committee.

The appointment of members or alternate members of a committee requires the note of a majority of the directors then in office, provided that a quorum is present.

- a) the Chair/President of the Corporation;
- b) The Treasurer of the Corporation/Organization;
- c) Any employee of the Corporation/Organization; or
- d) Any person with a material financial interest in any entity doing business with the Corporation/Organization.

Scholarship Selection Committee

The Board, at its sole discretion, may create a Scholarship Selection Committee or committees which will execute the scholarship program. The committees will establish the eligibility and qualifications for the scholarships, the method of application, the method of determination of the recipients, and the amounts of financial help awarded and the method of disbursements. It may determine an appeal process and alternative or additional rewards such as internships. This committee may be held responsible for ensuring non-discrimination "or conflicts of interest" in the processes.

Development/Marketing Committee

The Board, at its sole discretion, may create a Development/Marketing Committee which shall ensure and contribute well-planned fundraising initiatives for the Company/Organization. In addition this Committee shall identify potential sources of funds, take an active role in enhancing the Board's awareness of fundraising opportunities, explore opportunities for enhanced public relations and fundraising and provide an annual review of the performance of the Organization's fundraising plan.

ARTICLE 8 - STANDARD OF CARE

General

A director shall perform all the duties of a director, including, but not limited to, duties as a member of any committee of the Board on which the director may serve, in such a manner as the director deems to be in the best interest of Corporation/Organization and with such care, including reasonable inquiry, as an ordinary, prudent, and reasonable person in a similar situation may exercise under similar circumstances.

In the performance of the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- a) One or more officers or employees of the Corporation/Organization whom the director deems to be reliable and competent in the matters presented;
- b) Counsel, independent accountants, or other persons, as to the matters which the director deems to be within such person's professional or expert competence; or
- c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director deems to merit confidence.

so long as in any such case the director acts in good faith, after reasonable inquiry when the need may be indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except as herein provided in Article 8 - Standard of Care, any person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limitation of the following, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation/Organization, or assets held by it, are dedicated.

Loans

The Corporation/Organization shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the North Carolina Attorney General; provided however, that the Corporation/Organization may advance money to a director or officer of the Corporation/Organization or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Conflict of Interest

The purpose of the Conflict of Interest policy is to protect the Corporation/Organization interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or director, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable Corporation/Organization and is not intended as an exclusive statement of responsibilities.

Restriction on Interested Directors

No person serving on the Board of Directors at any time may be an interested person. An interested person is (1) any person currently being compensated by the Corporation/Organization for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise excluding any reasonable compensation paid to a director; and (2) any brother, sister, parent, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law- mother-in-law, or father in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the interested person.

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 who are considering the proposed transaction or arrangement.

Establishing a Conflict of Interest

After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

Addressing a Conflict of Interest

In the event that the Board should establish that a proposed transaction or arrangement established a conflict of interest, the Board shall then proceed with the following actions:

- a) Any interested person may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest.
- b) The Chair of the Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether the Corporation/Organization 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.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the Corporation/Organization, for its own benefit, and whether it is fair and reasonable, It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

Violations of Conflict of Interest Policy

Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's explanation, and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Procedures and Records

All minutes of the Board Meetings, when applicable, shall contain the following information:

- a) The names of all 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 Board's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and any votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any vote taken in connection with the proceedings.

Acknowledgement of Conflict of Interest Policy

Each director, principal officer, and member of a committee with Board delegated powers shall be required to sign a statement which affirms that such person:

- a) Has received a copy of the conflict of interest policy;
- b) Has read and understands the policy;
- c) Has agreed to comply with the policy; and
- d) Understands that the Corporation/Organization 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.

Violation of Loyalty - Self-Dealing Contracts

A self-dealing contract is any contract or transaction (i) between this Corporation/Organization and one or more of its Directors, or between this Corporation/Organization and any corporation, firm, or association in which one or more of the Directors has as a material financial interest ("Interested Director"). or (ii) between this Corporation/Organization and a corporation, firm, or association of which one or more of its Directors are Directors of this Corporation/Organization. Said self-dealing shall not be void or voidable because such Director(s) of corporation, firm, or association are parties or because said Director(s) are present at the meeting of the Board of Directors or committee which authorizes, approves or ratifies the self-dealing contract, if:

- a) All material facts are fully disclosed to or otherwise known by the members of the Board and self-dealing contract is approved by the Interested Director in good faith (without including the vote of any membership owned by said Interested Director(s));
- b) All material facts are fully disclosed to or otherwise known by the Board of Directors or committee, and the Board of Directors or committee authorizes, approves, or ratifies the self-dealing contract in good faith-without counting the vote of the Interested Director(s)-and the contract is just and reasonable as the Corporation/Organization at the time it is authorized, approved, or ratified; or
- c) As to contracts not approved as provided in above sections (a) and/or (b), the person asserting the validity of the self-dealing contract sustains the burden of proving that the contract was just and reasonable as to the Corporation/Organization at the time it was authorized, approved, or ratified.

Interested Director(s) may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof, which authorized, approves, or ratifies a contract or transaction as provided for and contained in this section.

Indemnification

To the fullest extent permitted by law, the Corporation/Organization shall indemnify its "agents" as described by law, including its director, officers, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," and including any action by or in the right of the Corporation/Organization, by reason of the fact that the person is or was a person as described in the Non-Profit Corporation Act. Such right of indemnification shall not be deemed exclusive of any other right to which such persons may be entitled apart from this Article.

To the fullest extent permitted by law, and, except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification in defending any "proceeding" shall be advanced by the Corporation/Organization of an undertaking by or on behalf of that person to repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the Corporation/Organization for those expenses.

The Corporation/Organization shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation/Organization, to the fullest extent permitted by law, against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, or to give other indemnification to extent permitted by law.

ARTICLE 9 - EXECUTION OF CORPORATE INSTRUMENTS

Execution of Corporate Instruments

The Board of Directors may, at its discretion, may determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without imitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Corporation/Organization.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Corporation/Organization, promissory notes, deeds of trust, mortgagees, other evidences of indebtedness of the Corporation/Organization, other corporate/organization instruments or documents, memberships in other Corporation/Organizations, and certificates of shares of stock owned by the Corporation/Organization shall be executed, signed and/or endorsed by the Chairman/President, Vice-Chairman, Secretary.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation/Organization. or in special accounts of the Corporation/Organization, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

Loans and Contracts

No loans or advances shall be contracted on behalf of the Corporation/Organization and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the Board, no officer or other agent of the Corporation/Organization may enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation/Organization.

ARTICLE 10 -RECORDS AND REPORTS

Maintenance and Inspection of Articles and Bylaws

The Corporation/Organization shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours.

Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

The Corporation/Organization shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing which shall be open to public inspection and copying to the extent required by law.

Maintenance and Inspection of Other Corporate Records

The Corporation/Organization shall keep adequate and correct books and records of accounts and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of the Corporation/Organization.

Preparation of Annual Financial Statements

The Corporation/Organization may, on advice of the Audit Committee, prepare annual financial statements using generally accepted accounting principles. Such statements shall be audited by an independent certified public accountant, in conformity with generally accepted accounting standards. The Corporation/Organization shall make these financial statements available to the North Carolina Attorney General and members of the public for inspection no later than 60 days after the close of the fiscal year to which the statements relate.

Reports

The Board shall ensure an annual report is completed within 60 days after the end of the fiscal year of the Corporation/Organization, which shall contain the following information:

- a) The assets and liabilities, including trust funds, of this corporation at the end of the fiscal year.
- b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- c) The expenses or disbursements of the Corporation/Organization for both general and restricted purposes during the fiscal year.

d) The information requires by the Non-Profit Corporation Act concerning certain self-dealing transactions involving more than \$50,000.00 or indemnification involving more than \$10,000.00 which took place during the fiscal year.

The report shall be accompanied by any pertinent report from an independent accountant or, if there is no such report, the certificate of an authorized officer of the Corporation/Organization that such statements were prepared without audit from the books and records Corporation/Organization.

ARTICLE 11 - FISCAL YEAR

The fiscal year for this Corporation/Organization shall end on December 31.

ARTICLE 12 - AMENDMENTS AND REVISIONS

These Bylaws may be adopted, amended, or repealed by a two-thirds majority of the directors then in office. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefore, is given in accordance with these Bylaws. If any provision of these Bylaws requires the vote of a larger portion of the Board than is otherwise required by law, that provision may not be altered, amended or repealed by that greater vote.

ARTICLE 13 - CORPORATE/ORGANIZATION SEAL

The Board of Directors may adopt, use, and alter a Corporation/Organization seal. The seal shall be kept at the principal office of the Corporation/Organization. Failure to affix the seal to any Corporation/Organization. instrument, however, shall not affect the validity of that instrument.

ARTICLE 14 - CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Non-Profit Corporation Act as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a Corporation/Organization. as well as a natural person. If any competent court of law shall deem any portion of these Bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these Bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

CERTIFICATE OF SECRETARY

I, Mrs. Betty Holhouser, certify that I am the current elected and acting Secretary of the Corporation/Organization, and the above Bylaws are the bylaws of this Corporation/Organization as adopted by the Board of Directors on September 27, 2022, and that they have not been amended or modified since the date above.

EXECUTED on this _____ day of _____, in the County of Surry in the State of North Carolina.

(Duly Elected Secretary)