

**BYLAWS  
OF  
FURNITURE MANUFACTURERS CREDIT ASSOCIATION, INC.**

**ARTICLE I  
NAME AND OFFICES**

Section 1. NAME. The name of this corporation shall be Furniture Manufacturers Credit Association, Inc.

**ARTICLE II  
MEMBERSHIP**

Section 1. MEMBERSHIP

Membership in the Corporation shall consist of shareholding members and such other classes of membership as the Board of Directors may establish from time to time, providing that the additional classes if not required to purchase a share of stock, have no voting rights, nor participate in any membership credit or rebate programs extended to shareholding members.

- A. SHAREHOLDING MEMBERS. Any corporation, firm, or individual regularly engaged in the business of manufacturing or importing furniture or home furnishing accessories, or regularly the business of factoring accounts for one or more furniture or accessory manufacturers or importers, and whose business transactions include extension of credit to furniture retailers in the United States on a nationwide or regional basis, shall be eligible for shareholding membership in the corporation subject to the limitations set forth in the following subparagraph.

The following limitations and definitions shall apply in determining eligibility for Shareholding Membership:

1. Each Shareholding Member shall be required to purchase one share of stock in the Corporation.
2. The term "furniture" includes upholstered pieces such as seats, chairs, sofas, stools and beds; storage pieces such as chests, cabinets, entertainment centers and bookcases; and occasional pieces such as desks, chairs, tables, stands, mirrors and lamps.
3. The Board of Directors may divide the shareholding membership into separate classes as the board may determine.

Section 2. APPLICATION FOR MEMBERSHIP.

Upon request of an applicant, the Corporation shall furnish a form upon which application for membership shall be made. An application shall be submitted to the Corporation, accompanied by a check in an amount to cover the cost of processing the application as set by the Board of Directors from time-to-time. Each application shall be reviewed by the Board of Directors. The Board of Directors shall vote on all membership applications referred to it .and the Board's decisions shall be final.

A. If an application for membership is rejected, written notice of said rejection and the reasons therefore, shall be furnished to the applicant.

B. If an application for shareholding membership is accepted, the Corporation shall inform the applicant of the purchase price of a share of stock in the Corporation. Within 30 days of the receipt of this notice, the applicant shall make a payment of annual dues prorated as of the close of the 30 day period and shall, if applicable, purchase the required share of stock.

Section 3. REDEMPTION OF SHARES UPON RESIGNATION OR EXPULSION.

A member in good standing may resign by filing written notice of such resignation with the Corporation, effective immediately. This section also applies to a member who has been expelled pursuant to ARTICLE III. The Corporation shall redeem the stock of a member who has resigned or been expelled pursuant to the Shareholder's Agreement as outlined in Article X, Section 1. provided, however, that the purchase price shall be reduced by all dues and assessments payable at the time the resignation of such member is effective, including dues for the unexpired portion of the current period, and by any other amounts owed to the Corporation by such member.

Section 4. CONFIDENTIALITY.

In connection with the membership of each Member and its participation in the meetings, interchanges and other activities of the Corporation, the Corporation and its members will furnish certain confidential information to the Member. The Board of Directors shall adopt a Confidentiality Policy and furnish a copy of the Confidentiality Policy and all subsequent amendments to each Member. Each Member shall be required to abide by the Confidentiality Policy of the Corporation as adopted and amended from time to time by the

Board of Directors. Each Member admitted to membership after the adoption of this Section shall be required, as a condition of membership, to execute a formal confidentiality agreement incorporating the provisions of the Confidentiality Policy and otherwise satisfactory to the Corporation. Violation of the Confidentiality Policy or such confidentiality agreement shall be grounds to disciplinary action against the Member pursuant to Article III. Any invited guests who are permitted to attend functions of the Corporation at which confidential information is disclosed shall be required to sign an agreement obligating the guest to abide by the Corporation's Confidentiality Policy.

### **ARTICLE III DISCIPLINARY MATTERS**

Section 1. COMPLAINT. If any member of the Corporation shall at any time be alleged to have performed any act prejudicial to the good character, commercial reputation and interests of the Corporation, or in violation of the requirements of the bylaws, a written complaint setting forth with particularity the alleged violation may be submitted by any other member to the secretary for transmittal to the Board of Directors.

Section 2. GRIEVANCE PROCEEDINGS. Board of Directors., At the option of the Board of Directors, an ad-hoc hearing committee may be appointed to conduct an investigation of the complaint or the Board of Directors may conduct the hearing itself. During such investigation the member so complained against such a hearing. The ad-hoc committee shall present and defend the complaint against the member. Grievance proceedings shall proceed according to the requirements and procedures contained in Roberts' Rules of Order (latest edition) Chapter XX DISCIPLINARY PROCEDURES, §§60- 63 et seq.

### **ARTICLE IV DUES**

Section 1. ANNUAL DUES. The Board of Directors may determine, from time to time, the amount of annual dues payable to the Corporation by members.

Section 2. DELINQUENCIES. A member who is delinquent in the payment of dues or any other charges for more than 60 calendar days after such dues and charges have become due and payable may be suspended from membership without further proceedings, provided that notice of such delinquency shall be sent by registered or certified mail to the member. The suspension will be effective 30 calendar days from date of notice unless during that time the member pays all delinquent charges and/or dues, and remains in good standing. Additionally, a suspended member who has not paid all delinquent charges and/or dues may also be expelled from membership by a simple majority vote of the Board of Directors. Prior to the vote of the Board of Directors, the suspended member shall be given at least ten (10) days advance notice by certified mail that the Board of Directors will consider the member's expulsion at the next succeeding Board of Directors meeting.

Section 3. PAYMENT OF DELINQUENCIES. Any member suspended for nonpayment of dues or any other charges, may be restored to membership after reapplication and payment of all delinquencies. Expulsion, suspension, resignation, or other termination of membership shall not relieve the member of his obligation for dues or any other charges due and payable.

### **ARTICLE V MEETINGS OF SHAREHOLDERS**

Section 1. PLACE OF MEETINGS. All meetings of shareholders shall be held at the principal office of the Corporation, or at such other place as shall be designated on the notice of the meeting or as otherwise agreed upon by a majority of the shareholders entitled to vote at the meeting.

Section 2. ANNUAL MEETING. The Annual Meeting of Shareholders for the election of directors and the transaction of other business shall be held within 90 days of the receipt of the corporation's year-end financial information as reflected on the tax returns of the corporation or such other date as may be set by the Board of Directors.

Section 3. SPECIAL MEETINGS. Special meetings of the shareholders may be called at any time by the president or a majority of the Board of Directors of the Corporation, or by any shareholders pursuant to the written request of the holders of not less than one-tenth of all the shares entitled to vote at the meeting.

Section 4. NOTICE OF MEETINGS. Written or printed notice stating the time and place of the meeting shall be delivered not less than 10 or more than 70 days before the date of any shareholders meeting, either personally, by mail or by electronic communication, by the secretary to each shareholder of record entitled to vote at such meeting provided that such notice must be given not less than 30 days before the date of any meeting at which a merger or consolidation is to be considered. If mailed, such notice shall be deemed to be

delivered when deposited in the United States mail, postage paid, addressed to the shareholder at the record address as it appears on the shareholders' register of the Corporation. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called, but in the case of an annual meeting, the notice of meeting need not specifically state the business to be transacted unless such a statement is required by the provisions of the North Carolina Business Corporation Act §55-8-22 et seq. or by Section 5 of Article XII. When the meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than 30 days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 5. VOTING LISTS. At least 10 days before each meeting of shareholders, the secretary of the Corporation shall prepare an alphabetical list of the shareholders entitled to vote at such meeting or any adjournment thereof, with the address of and number of shares held by each, which list shall be kept on file at the registered office of the Corporation for a period of 10 days prior to such meeting, and shall be subject to inspection by any shareholder at any time during the usual business hours. This list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any shareholders during the whole time of the meeting.

Section 6. QUORUM. A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders, the number of shares there represented either in person or by proxy, even though less than a majority, shall constitute a quorum for the purpose of such meeting.

The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. In the absence of a quorum at the opening of any meeting of shareholders, such meeting may be adjourned, from time to time, by a vote of the majority of the shares voting on the motion to adjourn. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

Section 7. PROXIES. Shares may be voted either in person or by one or more agents authorized by written proxy executed by the shareholder or by his duly authorized attorney. A proxy is not valid after the expiration of 11 months from the date of its execution, unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after 10 years from the date of its execution.

Section 8. VOTING OF SHARES. Each outstanding share entitled to vote shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders. Unless a shareholder shall, prior to voting, demand a vote by written ballot, all voting shall be by voice vote or by a show of hands; except that at the Annual Meeting when there are more nominees than necessary to fill the offices open on the Board of Directors, voting for directors must be by secret, written ballot only. Except in the election of directors as governed by the provisions of Section 2 of Article VI, the vote of a majority of the shares voted on any matter at a meeting of shareholders at which a quorum is present shall be the act of the shareholders on that matter, unless the vote of a greater number is required by law or by the charter of bylaws of this Corporation

Section 9. CONDUCT OF MEETINGS. All meetings of the Corporation shall be conducted in accordance with the latest edition of Robert's Rules of Order (latest edition).

## **ARTICLE VI**

### **BOARD OF DIRECTORS**

Section 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed by its Board of Directors.

Section 2. NUMBER, TERM AND QUALIFICATIONS. There shall be a maximum of eight (8) directors in number, if two outside directors are elected. If no outside director is seated, then the number shall be six (6). Directors shall be elected from the membership-at-large. Directors shall be elected when terms expire at the Annual Meeting, to serve a term of three years. The persons who receive the highest number of votes shall be the director(s) elected for the vacancies. All directors so elected begin their term immediately upon being duly elected and shall continue to serve in that position until no longer qualified to serve in that position or upon the election or appointment of a successor.

Section 3. OUTSIDE DIRECTORS. The Board of Directors at their sole option shall have the right but not the obligation from time to time to elect up to 2 members of the Board from outside of the shareholders. These positions are initially elected for a 3-year term and the incumbents have the same rights and privileges as any other director and may be removed from office as any other director pursuant to Section 4 below. After removal there is no requirement for the board to elect a successor. The Board of Directors may elect a replacement director(s) if desired but there is no obligation to do so.

Section 4: REMOVAL OF DIRECTORS: The shareholders may at any time with or without cause remove any director. The successor of a director so removed by the shareholders may be elected by the shareholders to hold office for the unexpired term of the director so removed except in the case of outside directors

Section 5. VACANCIES ON THE BOARD OF DIRECTORS: Any vacancies that exist on the Board of Directors for any reason may be filled by a vote of the majority of the shareholders at a special meeting called for that purpose or may be filled by appointment of the majority of the Board of Directors to serve the remainder of the vacant director's term of office. The term of appointment shall expire when the term of the vacancy would have expired.

Section 6. CHAIRPERSON. The Chairperson of the Board of Directors shall be elected by majority vote of the Board of Directors and shall serve at their pleasure.

Section 7. EXECUTIVE COMMITTEE.

- a. Composition. The Executive Committee of the Board of Directors shall be composed of the Chair of the Board of Directors, the Treasurer, the Secretary and one other director selected by the Board of Directors.
- b. Authority to Act. The Executive Committee shall have the authority to act for the Board of Directors as authorized by resolution of the Board of Directors.

## **ARTICLE VII MEETINGS OF DIRECTORS**

Section 1. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held after, and at the same place as, the Annual Meeting of Shareholders. In addition, the Board of Directors may provide, by resolution, the time and place, for the holding of additional regular meetings.

Section 2. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman, or any two directors. Such a meeting must be held at the Corporation's headquarters office unless the attendees unanimously agree otherwise.

Section 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, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 4. WAIVER OF NOTICE. Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. QUORUM. A majority of the number of directors fixed by these bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 7. MANNER OF ACTING. Except as otherwise provided in these bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Minutes shall be kept of all meetings of the Board of Directors.

Section 8. 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 his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to 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 9. INFORMAL ACTION BY DIRECTORS. Action taken by a majority of the directors without a meeting is nevertheless board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the board, whether done before or after the action so taken.

## **ARTICLE VIII OFFICERS**

Section 1. OFFICERS. The executive officers of the Corporation shall be a president, a treasurer, and secretary, and so many vice-presidents, assistant vice-presidents, assistant secretaries, and assistant treasurers as the Board of Directors may, from time to time, elect. Any two of the offices may be held by one person except the offices of president and vice-president, and the offices of president and secretary. All of the officers shall be elected by the Board of Directors. Each officer, once elected, shall continue in office with full power and authority until a successor has been duly elected and qualified and in the interim shall receive the salary, compensation and bonuses, if any, as last fixed for such office by the Board of Directors.

Section 2. PRESIDENT. (Chairman) The Chairman shall be responsible for managing the overall operations and resources of the Corporation and implementing the policies and strategic directions of the Board of Directors. The Chairman shall preside at all meetings of the shareholders.

Section 3. VICE-PRESIDENT. The Vice President shall be the Chief Operating Officer of the Corporation and shall keep the Board of Directors fully informed of the business of the Corporation and shall, from time to time, make such reports of the affairs of the Corporation as the Board of Directors may require. The Vice President may sign and execute all authorized bonds, contracts, deeds, mortgages, leases, and other obligations in the name of the Corporation and with the secretary may sign all certificated and uncertificated shares in the capital stock of the Corporation. The Vice President shall do and perform such other duties as may, from time to time, be assigned by the Board of Directors.

Section 4. VICE-PRESIDENT. Each vice-president shall have such powers and shall perform such duties as may be delegated by the Board of Directors. In the absence or disqualification of the President, or a vacancy in the office of the Vice President for any reason, any vice-president, in order of date of election, unless otherwise designated by the Board of Directors, may perform the duties and exercise the powers of the president.

Section 5. SECRETARY. The secretary shall keep the minutes of all meetings of the shareholders and of the Board of Directors and shall attend to the giving and service of all notices of the Corporation. The secretary shall be the custodian of the common seal of the Corporation and shall attest the signature of the any officer when attestation is required. The secretary may sign with the president or Vice President in the name of the Corporation all contracts authorized by the Board of Directors and when ordered by the Board of Directors shall affix the seal of the Corporation thereto. The secretary shall have charge of all corporate records and shall perform such other duties as, from time to time, may be assigned by the Board of Directors.

Section 6. ASSISTANT SECRETARY. The assistant secretary shall have such powers, and shall perform such duties, as may be assigned by the Board of Directors. In the absence or disqualification of the secretary, or a vacancy in the office of the secretary for any reason, any assistant secretary, in order of date of election, unless otherwise designated by the Board of Directors, may perform the duties and exercise the powers of the secretary.

Section 7. TREASURER. The treasurer shall have the custody of all funds and securities of the Corporation. When necessary or proper, the treasurer shall endorse on behalf of the Corporation checks, notes, and other obligations received and shall deposit same to the credit of the Corporation in such banks or depositories as the Board of Directors may designate. The treasurer shall sign all receipts and vouchers for payment made to, or for goods delivered to, the Corporation and shall sign with the president, or other such person as may be designated by the Board of Directors, all bills of exchange and promissory notes of the Corporation. The treasurer shall, when required, render an account of all transactions as treasurer and of the financial condition of the Corporation. The treasurer shall perform such other duties as, from time to time, may be assigned by the Board of Directors.

Section 8. ASSISTANT TREASURER. The assistant treasurer shall have such powers and shall perform such duties as may be assigned by the Board of Directors. In the absence or disqualification of the treasurer, or vacancy in the office of the treasurer for any reason, any assistant treasurer, in order of date of election, unless otherwise designated by the Board of Directors, may perform the duties and exercise the powers of the treasurer.

## **ARTICLE IX**

### **COMMITTEES**

Section 1. APPOINTMENT. Standing and special committees may be established by the Board of Directors or by the president with the approval of the Board of Directors. Appointments to a committee may be made, from time to time, from the active membership by the president, with the approval of the Board of Directors, and shall be for the period of one year, unless terminated sooner by the action of the Board of Directors.

Section 2. STANDING COMMITTEES. The standing committees and their respective duties shall be as follows:

- A. A Nominating Committee shall consist of at least 5 members of whom one must be a sitting director to nominate director candidates for board member seats that are coming vacant at the end of their term. The Board of Directors by majority vote may also place candidates on the ballot for election should they desire to do so. The Chairman or President does not serve on this committee in an ex officio capacity.
- B. The Executive Committee shall consist of a chairperson, vice chairperson, secretary and treasurer. This group of directors is appointed to act on behalf of and within the powers granted them by the Board of Directors.
- C. Other standing committees may be created by the Board of Directors who shall have the authority to appoint committee members, set terms, set a mission or charter for the committee, set terms of chairmen and vice-chairmen and such other matters deemed necessary to carry out the intent of the Board of Directors in creating the committee.

## **ARTICLE X**

### **SHARES AND THEIR TRANSFER**

Section 1. SHARES. Certificates representing shares of the Corporation shall be in such form as shall be determined by the Board of Directors. The shares of stock of the Corporation's classes may be certificated or uncertificated, and may be evidenced by registration in the holder's name in uncertificated, book-entry form on the books of the Corporation, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the stock of the Corporation shall be uncertificated shares. Any resolution of the Board of Directors providing for uncertificated shares shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Except as otherwise provided in a resolution approved by the Board of Directors, all shares of stock of the Corporation issued after February 21, 2019 shall be uncertificated.

- A. CERTIFICATED SHARES. The Corporation issued and delivered to each shareholder certificates representing all fully paid shares owned by him. Certificates were signed by the president or a vice-president and by the secretary or treasurer or an assistant secretary or an assistant treasurer and contained a restrictive legend on the certificate in the following form pursuant to the requirements of Section 7 of this Article and of North Carolina General Statutes § 55-6-27 et seq.:

*"The sale, transfer, or hypothecation of the shares represented by this certificate is restricted by the provisions of an agreement among the issuer of these shares and its shareholders, a copy of which is on file at the principal office of the issuer."*

Any surrendered certificated share to the Corporation shall be converted into an uncertificated share.

- B. UNCERTIFICATED SHARES. The Corporation shall issue and deliver to each shareholder a statement of share information for uncertificated shares which shall bear a restrictive legend on the statement in the following form pursuant to the requirements of Section 7 of this Article and of North Carolina General Statutes § 55-6-27 et seq.:

*"The sale, transfer, or hypothecation of the shares represented by this statement is restricted by the provisions of an agreement among the issuer of these shares and its shareholders, a copy of which is on file at the principal office of the issuer."*

All certificated and uncertificated shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and the date of issue, shall be entered on the stock transfer books of the Corporation.

Section 2. TRANSFER OF SHARES. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of his authority to transfer, or by his attorney authorized by power of attorney duly executed and filed with the secretary, and on surrender for cancellation of the certificate for such shares. Transfer of shares of the Corporation is subject to the provisions of Section 7 of this article X.

Section 3. LOST CERTIFICATE. The Board of Directors may direct a new uncertificated share to be issued in place of any certificate theretofore issued by the Corporation claimed to have been lost or destroyed. When authorizing such issue of a uncertificated share, the Board of Directors shall require that the owner of such lost or destroyed certificate, or his legal representative, give the Corporation a bond in such sum as the board may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate claimed to have been lost or destroyed, except where the Board of Directors by resolution finds that, in the judgment of the directors, the circumstances justify omission of a bond.

Section 4. CLOSING TRANSFER BOOKS AND FIXING RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of the shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, 50 days. If the stock transfer books shall be closed for the purpose

of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least 10 days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders. Such record date in any case to be not more than 50 days and, in case of a meeting of shareholders, not less than 10 days immediately preceding the date on which the particular action, requiring such determination of shareholder, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholder, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

Section 5. **HOLDER OF RECORD.** The Corporation may treat as absolute owner of shares the person in whose name the shares stand of record on its books just as if that person had full competency, capacity, and authority to exercise all rights of ownership irrespective of any knowledge or notice to the contrary or any description indicating a representative, pledge, or other fiduciary relation or any reference to any other instrument or to the rights of any other person appearing upon its record or upon the share certificate or upon the statement of share information for uncertificated shares, except that any person furnishing to the Corporation proof of his appointment as a fiduciary shall be treated as if he were a holder of record of its shares.

Section 6. **TREASURY SHARES.** Treasury shares of the Corporation shall consist of such shares as have been issued and thereafter acquired but not cancelled by the Corporation. Treasury shares shall not carry voting or dividend rights.

Section 7. **RESTRICTION ON SHARES.** No shareholder shall transfer, sell, assign, or otherwise dispose of the stock of the Corporation until written consent of the Board of Directors is first obtained. No share of stock may be transferred on the books of the Corporation by sale, assignment, gift, descent, distribution or otherwise, except with the written consent of the Board of Directors. In addition to such restrictions and qualifications as the Articles of Incorporation or the bylaws of this Corporation may place on the transfer of a share of stock, or on the rights of the shareholder, the shareholders of the Corporation, by majority vote of all classes of shares to be affected, may prescribe such qualifications, restrictions on transfer, limitations or other relative rights with respect to all shares outstanding or any shares to be issued, which shall not be prohibited by law, subject to dissenters' rights to payment as prescribed in the North Carolina Business Corporation Act, provided notice of the right herein granted is stated upon the certificated or uncertificated shares affected or to be affected.

**Defined terms for the provisions of ARTICLE X: "Person" or "Persons" shall mean an individual, tenants in common, joint tenancy, general partnership, limited partnership, LLC, corporation or other such entity that having met the criteria for Membership in Article II is entitled to hold ownership of securities in their name as a shareholder of record." The use of the term "his" shall connote the feminine as applicable.**

## **ARTICLE XI**

### **FINANCIAL MATTERS**

Section 1. **DIVIDENDS.** The Board of Directors may, from time to time, declare, and the Corporation may pay, dividends on its outstanding shares in cash, property, or its own shares pursuant to law and subject to the provisions of its charter.

Section 2. **LOANS.** No loans shall be contracted on behalf of the Corporation and no evidence 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 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 4. **DEPOSITS.** All funds of the Corporation not otherwise employed shall be deposited, from time to time, to the credit of the Corporation in such depositories or investment accounts as the Board of Directors may select.

Section 5. **FISCAL YEAR.** The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

## **ARTICLE XII**

## **GENERAL PROVISIONS**

Section 1. **CONTRACTS.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. **SEAL.** There is no requirement for a formal seal of the Corporation.

Section 3. **WAIVER OF NOTICE.** Whenever any notice is required to be given to any shareholder or director by law, by the charter or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be equivalent to the giving of such notice.

Section 4. **INDEMNIFICATION.** In addition to the indemnification provided for in NCGS §55-8-51, 52, 54, 55 and 56 et seq. , the Corporation shall indemnify its officers, directors, and employees against liability and litigation expense, including reasonable attorney fees, arising out of their status as such or their activities in any of the foregoing capacities; provided, however, that the Corporation may not indemnify a person serving in such capacity against liability or litigation expenses he may incur on account of his activities which were at the time taken known or believed by him to be clearly in conflict with the best interests of the Corporation. The indemnification provided for herein shall extend to any person who, at the request of the Corporation, is or was serving as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or is or was serving as a trustee or administrator under an employee benefit plan established by the Corporation. The indemnification provided for herein is intended to be to the fullest extent permitted by law under the North Carolina General Statutes and shall include (a) reasonable expenses, including attorney fees, actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may have become liable in any such action, suit or proceeding. The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to provide the indemnification called for under the provisions of this bylaw. Any person who at any time after the adoption of this bylaw serves or has served in any of the aforesaid capacities for or on behalf of the Corporation, shall be deemed to be doing or to have done so in reliance upon, and in consideration of, the right of indemnification and legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this bylaw or of the North Carolina General Statute sections covering such indemnification.

Section 5. **AMENDMENTS.** The Shareholders of the Corporation, by the affirmative vote of a majority of those entitled to vote, shall have the right to amend or repeal the bylaws and adopt new bylaws. Notice of such proposed amendments or repeal shall be set forth in detail in the notice of the annual meeting or any special meeting of the shareholders at which this right is proposed to be exercised.

The Board of Directors by a majority vote shall have the right to amend or repeal the bylaws at any regular or special meeting. Notification of any bylaws amended or repealed by the directors must be made to the shareholders and placed on agenda for acceptance or rejection by the Shareholders at the annual meeting or special meeting of the shareholders called for that purpose.

Section 6. All proceedings of the Corporation's meetings whether general in nature or of its committees and sub-committees shall be conducted in accordance with Roberts Rules of Order (latest edition) where such rules do not conflict with these bylaws.

Revised 02/20/2019