

**Restated as of September 29, 2015**  
**Revised September 28, 2016**  
**Revised March 22, 2017**

BYLAWS OF  
WESTERN NORTH CAROLINA PUBLIC RADIO, INC.

ARTICLE 1  
NAME, PRINCIPAL OFFICE, AND GENERAL PURPOSES

Section 1. Name. The name of this Corporation is:

Western North Carolina Public Radio, Inc., d/b/a Blue Ridge Public Radio (BPR).

Section 2. Principal Office. The principal office of the Corporation shall be 73 Broadway, Asheville, North Carolina or at such other place, or with such additional offices, as the Board of Directors may from time to time appoint.

Section 3. Purposes. The purposes for which this Corporation is organized are stated in its Corporate Charter, as follows:

- (a) To operate one or more community-based public radio stations committed to enhancing the quality of life in Western North Carolina by:
  - i. Expanding listeners' horizons through new perspectives and listening experiences;
  - ii. Promoting the free and independent interchange of ideas and information;
  - iii. Enriching and reflecting the cultural climate, heritage and traditions of our region and society through classical and other music, and the arts.
- (b) To broadcast informational, educational, and cultural programs by means of radio and other electronic media.
- (c) To receive and maintain a fund or funds of real or personal property, or both, and to use and apply the whole or any part of the income therefrom and the principal thereof exclusively for purposes permitted under IRC §501(c)(3), as amended, either directly or by contributions or distributions to organizations which qualify as exempt organizations under IRC §501(c)(3), as amended. No part of such income or principal shall inure to the benefit of any private individual or shall be used by or contributed to any organization that is involved in political campaigns or that engages in substantial propaganda activities or undertakes substantial lobbying activities.
- (d) To carry on any lawful activities calculated, directly or indirectly, to promote the purposes and interests of the Corporation or to enhance the value of its properties under the powers and rights conferred upon corporations organized under the laws of the State

of North Carolina and in furtherance of exempt purposes within the meaning of Section 501(c)(3) and Section 170(c)(2) of the Internal Revenue Code of 1986, as amended.

ARTICLE II  
MEMBERS

The Corporation shall not have members.

ARTICLE III  
DIRECTORS

Section 1. Election. The business and property of the Corporation shall be managed and controlled by a Board of Directors who shall be elected at the annual meeting of the Directors to hold office until the election of their successors. The Directors shall be chosen at such meeting by plurality vote of the Directors present. Terms of office of Directors should be staggered three-year terms, so that the terms of approximately one-third of the Directors shall expire in any given year. In the event of any increase or decrease in the number of Directors, the additional or eliminated directorships shall be so classified that all classes of Directors shall remain or become equal in number, as nearly as possible. No person may serve more than two consecutive terms except after an absence from the Board of Directors of at least one year unless the Director's term is extended as set forth in Article III, Section 15. Except in extenuating circumstances a Director who fills a vacancy for a period longer than two years shall be deemed to have served a "term" for purposes of this paragraph.

Section 2. Number. The Board of Directors shall consist of up to 24 members, including Higher Education Representatives described in Section 3 below. The maximum number of Directors may be changed by a two-thirds vote of the Directors then serving. No decrease in number shall have the effect of shortening the term of any incumbent Director.

Section 3. Higher Education Representatives. Higher Education Representatives shall be Directors with the same rights, responsibilities, and privileges as other Directors. Higher Education Representatives shall include representatives from two or more regional two- or four-year institutions of higher education, nominated by the chief executive officers or designees of such institutions. Such Higher Education Representatives shall be appointed as Directors subject to approval of the Board of Directors.

Section 4. Vacancies. Any interim vacancy in the Board of Directors other than a vacancy in a Higher Education Representative directorship may be filled by majority vote of the Directors then serving. Any successor so elected shall serve the unexpired term of his or her predecessor, but shall not assume the predecessor's committee appointments or Officer designation without appointment or election thereto. A vacancy in a Higher Education Representative directorship shall be filled in accordance with the categories listed in Section 3 above.

Section 5. Annual Meeting. The annual meeting of the Board of Directors shall take place on a date selected by the Directors, at any place chosen by the Directors. Notice of the annual meeting shall be governed by the notice requirements for regular meetings of Directors. Immediately after the election of Directors at the annual meeting, the new Board of Directors shall elect Officers and may transact any other appropriate business.

Section 6. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, and at such place or places within or without the State of North Carolina, as may from time to time be determined by resolution of the Board.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the Chair or Vice Chair and must be called by either of them on the written request of one third of the Directors then in office.

Section 8. Notice of Meetings. Notice of all regular and special Directors' meetings shall be given by mail or electronically at least five business days before the meeting, but such notice to any individual Director may be waived by that Director. Any business may be transacted at any regular Directors' meeting. Business transacted at any special meeting of Directors shall be confined to matters stated in the notice of special meeting and matters germane thereto, unless every Director is present at such special meeting, in which case any business may be transacted.

Section 9. Chair. At all meetings of the Board of Directors the Chair or Vice Chair, or in their absence a Chair chosen by the Directors present, shall preside.

Section 10. Quorum; Voting. At all meetings of the Board of Directors a majority of the elected Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. Except as otherwise provided by statute or by these Bylaws, at any Directors meeting at which a quorum is present, the vote of a majority of the Directors present shall be the act of the Corporation. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting to some future date, not more than 30 days after the date of such meeting. Each absent Director shall receive notice of such adjourned meeting no fewer than 10 days before the meeting, and a quorum shall be necessary for the conduct of business at such adjourned meeting. Each Director shall have one vote on all matters.

Section 11. Conflicts of Interest. In accordance with Article XVI herein, Directors shall avoid conflicts of interest and any conduct that may suggest the appearance of impropriety when exercising their responsibilities with regard to the Corporation. No Director shall take any action to influence the conduct of the Corporation so as to confer financial benefit on another entity or undertaking in which the Director has a significant interest or affiliation. If an issue arises on which the Director could obtain a benefit, he or she may not vote on the matter, but may present an opinion, if the potential conflict of interest is fully disclosed in advance.

Section 12. Resignation or Removal from Office. A Director may resign his or her position as Director at any time by providing written notice to the Board. A Director may be removed from his or her position as Director by a vote of the Directors for good cause, misconduct, inability to perform, or if the Director is absent from more than two consecutive regular meetings of the

Board without a reason deemed acceptable by the Board. Any such removal of a Director by the Board of Directors shall be ratified by the members at the next annual or special meeting of the membership. Any Director so removed shall receive written notice signed by the Chair and Secretary of the Board. All Director vacancies shall be filled by vote of the Board of Directors pursuant to Article III, Section 4.

Section 13. Compensation. A Director shall not receive any salary for his or her services as a Director.

Section 14. Duties and Powers. Directors have a fiduciary duty to the Corporation and shall discharge the duties of their respective positions in good faith, and with that diligence and care which ordinarily prudent persons would exercise in similar circumstances and like positions. The Board of Directors may establish a position description for Directors and may require that all Directors sign such position description.

The Board of Directors shall have and exercise all the usual powers of directors of a business Corporation and shall conduct the immediate government and direction of the affairs of the Corporation. The Board of Directors shall make all rules and regulations it deems necessary or proper for the government of the Corporation and for the due and orderly conduct of its affairs and the management of its property, not inconsistent with the Charter and these Bylaws of the Corporation.

The Board of Directors is empowered to appoint and fix the compensation of a General Manager and Chief Executive Officer (CEO) to carry out the mission and purposes of the Corporation, as they are directed and defined by the Board.

The Board of Directors may by general resolution delegate to committees, or to Officers or employees of the Corporation, such powers as they may see fit, except as limited by statute or these bylaws.

Section 15. Extension of Terms of Directors. In the event special circumstances arise, the Board of Directors shall have the power to extend the term of one or more directors for a specified period of time in order to maintain continuity of leadership. Such action shall require a finding by the Board of Directors that such action is warranted and in the best interests of the Corporation, and shall be taken by an affirmative two-thirds vote of the Directors then serving, using the same procedures set forth for the amendment of the Bylaws in Article XIV. Any member of the Board of Directors who is the subject of such a vote shall not be permitted to vote on such proposal.

## ARTICLE IV OFFICERS

Section 1. Number. The Officers of the Corporation shall be:

1. Chair of the Board

2. Vice Chair
3. Secretary
4. Treasurer

The Corporation may elect in addition:

5. Assistant Secretary
6. Assistant Treasurer
7. Additional officers as needed.

Section 2. Election. All Officers of the Corporation shall be elected at the annual meeting by the Board of Directors and shall hold office for the term of two years. Officers may be re-elected.

Section 3. Tenure of Office. Any Officer may be dismissed as an Officer at any time during his or her term by a majority vote of the Directors at any regular or special meeting of the Board of Directors. A dismissed Officer shall have no power or authority by virtue of his or her former office.

Section 4. Combination of Offices. Any of the offices above enumerated, other than that of Chair and Vice Chair, or Chair and Secretary, may be combined.

Section 5. Duties of Officers. The duties and powers of the Officers shall be as follows:

(a) Chair of the Board: The Chair shall:

- 1) Preside at all meetings of the Board of Directors.
- 2) Present at each annual meeting of the Board of Directors a report of the condition of the business of the Corporation.
- 3) Cause to be called regular and special meetings of the Directors in accordance with these Bylaws.
- 4) Upon the advice of the Directors, and with the exception of the Nominating and Governance Committee, make all appointments to standing and ad hoc committees of the Board of Directors, and designate the chairs of all such committees.
- 5) Execute conveyances, contracts and agreements as authorized by the Board of Directors.
- 6) Ensure that such books, reports, statements and certificates as may be required by law are properly maintained and filed.
- 7) Sign notes, drafts of bills of exchange, warrants and other orders for the payment of money duly drawn by the Treasurer.
- 8) Be the custodian of the corporate seal, and attest the same when affixed by the order of the Board of Directors.
- 9) Enforce these Bylaws and see that all orders and resolutions of the Board of Directors are carried out.
- 10) Perform all the duties incidental to the office, and which are required by law, and generally, to see that the Officers and agents of the Corporation perform their duties.

- 11) Perform and attend to such other duties and functions as may be required by the Board of Directors.
- (b) Vice Chair: During the absence or inability of the Chair to perform the duties set forth in these Bylaws, the same shall be performed and exercised by the Vice Chair, who shall then have all the powers and be subject to all of the responsibilities given or imposed upon the Chair.
- (c) Secretary: The Secretary shall:
- 1) Keep or designate an employee of the Corporation to keep the minutes of the meetings of the Board of Directors and all committees in appropriate books.
  - 2) Give and serve or designate an employee of the Corporation to give and serve all notices of the Corporation.
  - 3) Perform all the duties incidental to the office of Secretary.
  - 4) Perform and attend to such other duties and functions as may be prescribed by the Chair or the Directors.
  - 5) Keep or designate an employee of the Corporation to keep at the Corporation's registered office or principal office in this State a record of the names and addresses of its Directors and committee members.
- (d) Treasurer: The Treasurer shall:
- 1) Assemble and serve as Chair of the Finance Committee.
  - 2) Provide financial oversight and guidance to ensure that the policies and procedures of the Corporation are adequate.
  - 3) Review the annual audit of the Corporation and the work of external accountants, and meet with auditors.
  - 4) Ensure that all the funds and securities of the Corporation are deposited and maintained in the name of the Corporation in such bank or banks, trust company or companies, or safe deposit vaults as the Board of Directors shall designate.
  - 5) Review the work of the bookkeeper and external accountant to ensure that all paid checks, notes, acceptances and other evidences of expenditures are kept and preserved as near as practicable in the order of their payment.
  - 6) Perform and attend to such other duties and functions as may be prescribed by the Chair or the Board of Directors.

Section 6. Vacancies. All interim vacancies in any office shall be filled by the Board of Directors at a special meeting called for that purpose within twenty-one days after the occurrence of such vacancy. The Officers so elected shall hold office until the next annual meeting or until a successor has been elected in accordance with these Bylaws.

Section 7. Extension of Terms of Officers. In the event special circumstances arise, the Board of Directors shall have the power to extend the term of one or more officers for a specified period of time in order to maintain continuity of leadership. Such action shall require a finding by the Board of Directors that such action is warranted and in the best interests of the corporation, and shall be taken by an affirmative two-thirds vote of the Directors then serving, using the same

procedures as set forth as for the amendment of the Bylaws in Article XIV. Any member of the Board of Directors who is the subject of such a vote shall not be permitted to vote on such proposal.

ARTICLE V  
AGENTS AND REPRESENTATIVES

The Board of Directors may appoint such agents and representatives of the Corporation with such powers to perform such acts or duties on behalf of the Corporation as the Board of Directors may see fit, consistent with these Bylaws and to the extent permitted by law.

ARTICLE VI  
CONTRACTS

Except as otherwise provided in these Bylaws, the Board of Directors may authorize any Officer or agent 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 a specific instance. Unless so authorized by the Board of Directors, no Officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or in any amount.

ARTICLE VII  
COMMITTEES AND ADVISORY BODIES

Section 1. General. The Board of Directors shall create and maintain from their number the standing committees described in Section 2, and may create one or more additional standing or ad hoc committees, plus advisory bodies as provided in Section 3. Except as otherwise provided in this Article, the members and Chairs of all such committees and advisory bodies shall be appointed by the Chair of the Board of Directors as provided in Article IV, Section 5(a)(4) subject to approval by a majority of the Directors then in office. Committee and advisory body members shall serve at the pleasure of the Board of Directors. Such committees and advisory bodies shall advise and aid the Officers and Directors of the Corporation in all matters designated by the Board of Directors. The provisions of these Bylaws governing meetings, action without meetings, notice, waiver of notice, quorum and voting requirements shall apply to committees and their members. The members of committees and advisory bodies shall not receive any salary for their services.

Section 2. Standing Committees. Standing committees shall include the following:

- (a) Executive Committee. The Executive Committee shall consist of the Officers of the Corporation together with the Chairs of the standing committees and such additional persons as the Board of Directors sees fit. The Executive Committee shall exercise the authority of the Board of Directors when the Board is not in session, except as limited by

statute. The Executive Committee shall have the duty of evaluating the performance of the General Manager and CEO annually or otherwise at intervals consistent with the terms of General Manager and CEO's employment agreement. Except as limited herein, any action taken by the Executive Committee shall become the action of the Board of Directors when reported to the Board at its first meeting thereafter. The Board shall have authority to amend, rescind, or take further action on any action of the Executive Committee. A majority of the members of the Executive Committee shall constitute a quorum. The vote of a majority at a meeting at which a quorum is present shall constitute the act of the Committee.

- (b) Nominating and Governance Committee. The Nominating and Governance Committee shall consist of three or more Directors elected by the Board of Directors. The Committee shall elect its Chair. The Committee shall be responsible for submitting nominations of prospective Directors and Officers at the Annual Meeting and, in the case of Directors, at other times where vacancies occur on the Board of Directors. In all such instances the Committee shall obtain the prior consent of the nominee and shall provide information concerning such nominees to the Board in advance of the meeting at which the nomination is to be considered. Director nominees shall reflect a broad and diverse cross section of the community and region, including without limitation persons who are affiliated with the business, financial, civic, governmental, philanthropic, and cultural, and educational communities. Preference should be given to persons with diversified backgrounds in community affairs. The Nominating and Governance Committee shall report its slate of nominees to the Board of Directors at least ten days before the Annual Meeting. Additional nominations may be made from the floor at the annual meeting, with the prior consent of the nominee. The Committee shall be responsible for Board assessment, development, education and orientation, and shall periodically review and make recommendations to the Board of Directors with respect to amending the Bylaws and governing policies of the Corporation.
- (c) Finance Committee. The Finance Committee shall be chaired by the Treasurer of the Corporation. The Committee shall be responsible for the financial management of the Corporation and for reviewing and recommending an annual budget to be presented to the Board of Directors no later than the last meeting of the Board before the beginning of the fiscal year. The Finance Committee shall be responsible, with the Treasurer, for reviewing and recommending the budget and accounting system of the Corporation, subject to the approval of the Board of Directors. Proposals for changing the budget or expenditures, or for substantial transfers within the approved budget, shall be referred to the Finance Committee for review and recommendations. The Finance Committee shall present current financial statements to the Board of Directors at each regular meeting of the Board and shall present a statement showing the financial position of the Corporation at the annual meeting of the Board of Directors.
- (d) Planning Committee. The Planning Committee shall be responsible for developing goals and objectives of the Corporation, for developing short- and long-range strategic plans for the achievement of such goals and objectives, and for initiating activities to



implement such strategic plans. The Committee shall submit such strategic plans to the Board of Directors for approval. The Committee shall assist in presenting and explaining such strategic plans as the Board may adopt to other boards, agencies, foundations, and the public. The Committee shall be responsible for periodic review, revision, and updating of the short- and long-range goals, objectives, and plans of the Corporation.

- (e) Development Committee. The Development Committee shall develop and monitor the implementation of a program of organized fund raising activities, and shall develop a comprehensive program of publicity and public relation strategies, including special events, to promote the mission, goals and objectives of the Corporation.
- (f) Audit Committee. The Audit Committee shall consist of five members comprised of two Board Members and three non-Board members. The Treasurer shall not serve on the Audit Committee. The Audit Committee Chair shall not be a Board Member. The Audit Committee shall meet with Corporation's auditor at least twice a year, once before the annual audit, then again to review the audit results before it is presented to the Board of Directors. The term of office for Audit Committee members who are non-Board members shall be for three years, but no member of the Audit Committee who is a non-Board member may serve more than two consecutive terms except after an absence from membership on the Audit Committee of at least one year.
- (g) Personnel Committee. The Personnel Committee shall be responsible for reviewing the compensation and benefits of the Corporation's staff and shall review the Corporation's employee handbook and policy manual as needed. The Personnel Committee shall propose necessary and appropriate amendments to such documents when it deems necessary and appropriate.

Section 3. Advisory Bodies. The Board of Directors shall create a Community Forum pursuant to the requirements of §396(k)(8) of the Communications Act of 1934, as amended, 47 U.S.C. §396 et seq., and may in its discretion create additional advisory bodies. The nature, composition, duties, and responsibilities of advisory bodies shall be determined by the Board of Directors. All such bodies shall be solely advisory in nature and shall have no authority to exercise any control over the management of the Corporation.

## ARTICLE VIII VOTING UPON STOCK OF OTHER CORPORATIONS; INVESTMENTS

Section 1. Voting Upon Stock. Unless otherwise ordered by the Board of Directors, the Chair shall have full power and authority on behalf of the Corporation to vote either in person or by proxy at any meeting of stockholders of any corporation in which this Corporation may hold stock, and at any such meeting may possess and exercise all of the rights and powers incident to the ownership of such stock which, as the owner thereof, this Corporation might have possessed and exercised if present. The Board of Directors may confer like powers upon any other person and may revoke any such powers at its pleasure.

Section 2. Investments. The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors.

ARTICLE IX  
PERIOD OF ACCOUNTING AND REPORTING

The fiscal year shall begin on October 1 and shall end on September 30.

ARTICLE X  
PROHIBITION AGAINST SHARING IN  
CORPORATE EARNINGS OR ASSETS; DISSOLUTION

No Director, Member, Officer, employee, member of a committee, or other person connected with the Corporation, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, except for reasonable compensation for services rendered in effecting any of the Corporation's purposes. No loans may be made by the Corporation to any Officer or Director. No such person shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. All Directors and Officers of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, the assets of the Corporation shall be distributed, transferred, conveyed, delivered and paid over to such eleemosynary institution or institutions upon such terms and conditions and in such amounts and proportions as the Board of Directors may determine, to be used by such institutions for the same or similar purposes as are set for in the Certificate of Incorporation of this Corporation as amended, and to be dedicated for exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 as amended.

ARTICLE XI  
ACTION BY CONSENT; PARTICIPATION

Section 1. Written Consent. Any action taken without a formal meeting by the required majority of the Directors shall constitute the official action of the Board, and shall be binding on the Corporation, if a written consent to such action is signed by all the Directors and filed as part of the official minutes of the Board of Directors, whether such consent is signed and dated before or after the action so taken.

Section 2. Participation. Any one or more Directors or members of a committee may participate in a meeting of the Board or committee by means of a conference telephone, video conference, or similar communication method which allows all persons participating to hear each other, and such participation in a meeting shall be deemed presence in person at such meeting.

ARTICLE XII  
NON-DISCRIMINATION

The Corporation shall not discriminate on the basis of race, religion, gender, sexual orientation, gender identity or expression, age, ethnic or national origin, disability, or veteran status.

ARTICLE XIII  
RULES OF PROCEDURE

The Rules of Procedures at all meetings of the Board of Directors shall be the most current edition of Robert's Rules of Order. In the event of a conflict between Robert's Rules of Order and these Bylaws, these Bylaws shall govern.

ARTICLE XIV  
AMENDMENTS

The Board of Directors shall have power to make, alter, amend and repeal the Bylaws of the Corporation by affirmative two-thirds vote of the Directors then serving, provided that such action is proposed at a regular or special meeting of the Board and adopted at a subsequent regular or special meeting, except as otherwise provided by law. The text of all amendments and changes shall be included in the notice of each such meeting.

ARTICLE XV  
INDEMNIFICATION

- a. 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 North Carolina General Statutes, §55A-8-50 through §55A-8-60, and successor statutes, against (a) reasonable expenses, including but not limited to attorney's fees, actually and necessarily incurred by him or her in connection with the defense of any threatened, pending or completed action, suit or proceeding in which he or she is made a party by reason of being or having been such Officer or Director, and (b) reasonable payments made by him or her in satisfaction of any judgment, money decree, fine, penalty, or settlement for which he or she may become liable in any such action, suit, or proceeding.
- b. The Board of Directors shall take all such actions that may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Article, including without limitation a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due to him or her.
- c. Any person who serves in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to have done so in reliance upon, and in consideration for,

the right indemnification provided herein. Such rights shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled.

- d. Except as provided herein and in accordance with North Carolina General Statutes §55A-8-51 and any successor statutes, any person who at any time serves or has served as a Director or Officer of the Corporation, if such person is made an individual party in a proceeding because such person is or was a Director or Officer of the Corporation, shall be indemnified by the Corporation so long as such person:
    1. Conducted himself or herself in good faith;
    2. Reasonably believed:
      - i. In the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in the Corporation's best interest; and
      - ii. In all other cases, that his or her conduct was at least not opposed to the best interests of the Corporation; and,
    3. In the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.
  - e. Notwithstanding the foregoing, the Corporation shall not indemnify any Director or Officer:
    1. In connection with any proceeding by or in the right of the Corporation in which the Director or Officer was adjudged liable to the Corporation; or
    2. In connection with any other proceeding charging improper personal benefit to the Director or Officer whether or not involving action in his or her official capacity, in which the Director or Officer was adjudged liable on the basis that personal benefit was improperly received by such Director or Officer.
- However, a Director or Officer may be indemnified by the Corporation in connection with a proceeding by or in the right of the Corporation that is concluded without final adjudication on the issue of liability, provided such indemnification is limited to reasonable expenses incurred in connection with the proceeding.
- f. In accordance with North Carolina General Statutes §55A-8-53 and any successor statutes, expenses incurred by a Director or Officer in defending a proceeding may be paid by the Corporation in advance of the final disposition of such proceeding as authorized by the Board of Directors in the specific case or by resolution or by contract upon receipt of an undertaking by or on behalf of the Director or Officer to repay such amount unless it shall ultimately be determined that the Director or Officer is entitled to be indemnified by the Corporation Against such expenses.
  - g. The Corporation shall not indemnify a Director or Officer in accordance with the authority to indemnify contained in this Article XV and under North Carolina General Statutes §55A-8-51 and any successor statutes, unless authorized in the specific case after a determination has been made that indemnification is permissible in the circumstances because the Director or Officer has met the standard of conduct set forth herein and under

North Carolina General Statutes §55A-8-51 and any successor statutes. Determination as to indemnification and the reasonableness of expenses shall be made in accordance with North Carolina General Statutes §55A-8-55 and any successor statutes.

- h. In addition to the indemnification provisions above, the Corporation may by resolution agree to indemnify any one or more of its Directors, Officers, employees, or agents against liability and expenses in any proceeding arising out of their status as such or their activities in any one of the foregoing capacities, provided, however, the Corporation shall not indemnify or agree to indemnify any Director, Officer, employee, or agent against liability or expenses he or she may incur on account of his or her activities which were at the time taken, known, or believed by such person to be clearly in conflict with the best interests of the Corporation or if he or she received an improper personal benefit.
- i. The Corporation shall purchase or procure insurance for the purpose of indemnification as set forth in this Article XV.

ARTICLE XVI  
CONFLICTS OF INTEREST

Directors shall take all appropriate measures to avoid conflicts of interest and compliance with the rules and regulations governing conflict of interest for tax-exempt nonprofit entities under Section 501(c)(3) of the Internal Revenue Code. The Board may by resolution adopt such additional policies and requirements pertaining to conflicts of interest as it sees fit and such policies shall be considered to be part of the organization document of the Corporation.

Approved \_\_\_\_\_