

BYLAWS OF UNC NROTC ALUMNI ASSOCIATION

ARTICLE I

Offices

Section 1. Registered Office. The corporation shall have and continuously maintain in this State a registered office and a registered agent whose office is identical with such registered office. Such registered office shall be located at The Naval Armory, South Columbia Street and South Road, Chapel Hill, Orange County, North Carolina, or at such other place within the State of North Carolina as may from time to time be fixed and determined by the Board of Directors.

Section 2. Other Offices. The corporation may have offices at such places, either within or outside the State of North Carolina as the Board of Directors may from time to time determine. The Association's mailing address normally follows the physical location of the Treasurer, that officer being the recipient of all official correspondence (financial statements, billings and membership re-registration forms, etc). Such location may further be defined with a P.O. Box Number and address. Such address shall constitute an 'Other Office'.

ARTICLE II

Membership

Section 1. Classification of Members. Membership in the corporation may be divided into the classes hereinafter designated and each class of member shall have the rights, privileges and obligations set forth and described. The Board of Directors of the corporation may authorize additional classifications of membership.

Section 2. Regular Members. Any person who graduated and was commissioned through the NROTC Program of the University of North Carolina or who served as a staff member assigned to The University of North Carolina NROTC Unit, upon application and payment of dues may be a Regular Member.

Section 3. Honorary or Ex Officio Members. An honorary or *ex officio* member shall be any person who is elected as such by the Board of Directors of the corporation.

Section 4. Student Members. All first class midshipmen in good standing of The University of North Carolina NROTC shall have an associate membership.

Section 5. Associate Membership. Parents, friends and non-graduates of the NROTC program at UNC may become associate members of the organization upon nomination by a regular member, subject to the approval of the Board of Directors or of a committee to which that task may be delegated, if appointed by the Board of Directors.

Section 6. Annual Dues of Members. The Board of Directors shall have the power to fix dues for various classification of membership and those classifications, which may be created by the Board of Directors.

Section 7. Rights of Members. Only regular members of the corporation, whose life or annual dues are paid and current, shall have the right to hold office in the Corporation and to vote at meetings of the members thereof, and the voting power of such member shall be equal and each such member shall be entitled to one (1) vote. Exceptions to this right must be approved by the Board of Directors.

ARTICLE III

Board of Directors

Section 1. General Powers. The Board of Directors shall manage the property, affairs and business of the corporation.

Section 2. Number, Tenure, and Qualifications. A Board of Directors shall govern the corporation. The number of persons on such Board of Directors shall consist of up to fourteen members. In addition, the Commanding Officer of the NROTC Unit or his designee shall serve as an *ex officio* member of the Board of Directors. Those persons elected to succeed Directors whose terms are expiring at the end of the year shall be elected at the annual meeting of the corporation. Directors so elected shall serve for a term of two (2) years, beginning on January 1 of the next year after the adjournment of the annual meeting at which they are elected. Hereafter the number of directors may be increased or decreased by resolution of the Board of Directors. Only regular members of the Corporation shall be qualified to serve as a director.

Section 3. Nomination and Election of Directors. Directors shall be elected by ballot of the Regular Members of the corporation. At least thirty (30) days prior to each annual meeting, a nominating committee appointed by the then current Board of Directors shall nominate a proposed slate of members to fill the office of those directors whose terms of office will expire on the 31st of December of that year. Members of the Corporation may also nominate one or more members as candidates for the Board of Directors by submitting such nominations in writing to the Board prior to the annual meeting of the corporation, or by such other deadline as the Board of Directors may prescribe. No members shall serve more than three (3) consecutive terms as a director. A ballot shall be prepared listing all of the qualified nominees for election as director in alphabetical order by last name. The election of directors will take place at the annual meeting of the corporation. The Board of Directors may authorize absentee balloting provided that all ballots cast are counted and the election is made final at the annual meeting of the corporation. The candidates for election equal to the number of eligible board seats receiving the most number of votes shall be declared elected. In the case of a tie that results in the inability to declare a winner, a run-off election shall be immediately conducted with only those candidates who tied eligible for consideration.

Section 4. Record of Deliberations. The Secretary under the guidance of the President shall maintain a written record of all Board deliberations.

Section 5. Regular Meetings. A regular annual meeting of the corporation and of the Board of Directors shall be held at the office of the corporation during either the month of October, the month of November, or the month of December of each year. There shall be at least one (1) additional regular meeting of the Board of Directors each year, to be held during either the month of January, the month of February, or the month of March. The Board of Directors may provide by resolution for the holding of such meetings at a place other than the office of the corporation, within or without the State of North Carolina, without other notice than such resolution. The president of the Board of Directors may authorize the additional regular meeting of the board be conducted by conference call, teleconference or other electronic media, as circumstances dictate.

Section 6. Substitute Annual Meeting and Special Meetings. If any regular meeting provided for by Section 5 above shall not be held during the months designated in such section, a substitute meeting may be called in the manner provided for the call of a special meeting in accordance with the provisions of Section 5 of this Article III; and a substitute meeting so called shall be designated as, and be treated for all purposes, as a regular meeting. Three or more of the Directors, or the president may call special meetings of the Board of Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of North Carolina, as the place for holding such special meetings. Special meetings of the Board may be conducted by email for the purpose of proposing and voting on a specific item or items.

Section 7. Notice of Meetings. Notice of each regular meeting of the Board of Directors shall be given at least thirty (30) days prior thereto. Notice of any special meeting of the Board of Directors shall be given at least forty-five (45) days prior thereto. All notices shall be in writing delivered either personally, sent by mail or email to each Director at his postal or email address as shown on the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

Section 8. Quorum. The presence of one-third (1/3) of the members of the Board of Directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business; provided, that, if less than a quorum of the Directors shall be present at the time and place of any meeting, the Directors present may adjourn the meeting from time to time until a quorum shall be present, and notice of any adjourned meeting need not be given.

Section 9. Voting. Except as otherwise expressly provided by statute, or by Articles of Incorporation of the corporation, or by these bylaws, the action of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board of Directors.

Section 10. Resignation of Directors. Any Director may resign at any time by giving notice thereof in writing to the President or Secretary of the corporation. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time such resignation is received by the President or Secretary, unless it shall be necessary to accept such resignation by its terms before it becomes effective, in which event the resignation shall take effect upon its acceptance by the Board of Directors.

Section 11. Vacancies. In the event of any vacancy occurring in the Board of Directors by death, resignation, disqualification, or otherwise, the remaining Directors shall continue to act; and such vacancy may be filled by the vote of a majority of the remaining Directors, even though such majority is less than a quorum, or by the sole remaining Director if there be only one (1) Director remaining. Any director so chosen shall hold office for the unexpired portion of the term of the person whom the newly elected Director succeeds and until his successor shall have been duly elected and qualified, or until his death, or until he shall resign or shall become disqualified. An increase in the number of Directors shall be deemed to create vacancies in the Board of Directors to be filled in the manner provided in Section 2 of this Article III.

Section 12. Compensation of Directors. Directors shall not receive any compensation for their services as such; except in the reimbursement of ordinary and necessary expenses (including travel expenses) incurred in the performance of their duties; provided, however, that nothing herein contained shall be construed to preclude any person who is a Director from also serving the Corporation in another capacity and receiving compensation therefore.

Section 13. Duties. Each Director shall discharge his duties as a Director, including his duties as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director reasonably believes to be in the best interest of the corporation.

Section 14. Director's Conflict of Interest. Any corporate transaction in which a Director has a direct or indirect interest must be authorized, approved, or ratified in good faith by a majority, not less than two (2), of the Directors who have no direct or indirect interest in the transaction even though less than a quorum; provided, however, no such transaction shall be authorized, approved, or ratified by a single Director. For purposes of this Section, a Director has an indirect interest in a transaction if:

- (a) Another entity in which he has a material financial interest or in which he is a general partner is a party to the transaction; or
- (b) another entity of which he is a director, officer, or trustee is a party to the transaction and the transaction is or should be considered by the Board.

Section 15. Certain Director Liability. In addition to other liabilities imposed by law upon Directors, a Director shall be subject to the following liabilities:

- (a) All directors who vote for or assent to any distribution of assets of the corporation contrary to any lawful restrictions in the North Carolina Nonprofit Corporation Act (the "Act"), the Articles of Incorporation, or these bylaws, shall be jointly and severally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating such restrictions.
- (b) All Directors who vote for or assent to the making of any loan or guaranty or other form of security by

the corporation to or for the benefit of the Directors or officers of the corporation, or any of them, except loans, guaranties or other forms of security made to full-time employees of the corporation who are also Directors or officers of the corporation and which were made in accordance with Section 13 of this Article, Section 2 of Article VI, and this Section, shall be jointly and severally liable to the corporation for the repayment or return of the money or value loaned, with interest thereon at the legal rate until paid, or for any liability of the corporation upon the guarantee.

(c) A Director shall not be liable under the provisions of subparagraphs (a) or (b), above, if he performed his duties in compliance with Section 13 of this Article or (unless his actual knowledge concerning the matter in question makes such reliance unreasonable) he relied on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (i) one or more officers or employees of the corporation whom the Director reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within their professional or expert competence; or (iii) a committee of the Board of which he is not a member if the Director reasonably believes the committee merits confidence.

ARTICLE IV

Officers

Section 1. Number of Officers. The officers of the corporation shall be a President, a Secretary and a Treasurer, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. Any two (2) offices or more may be held by one (1) person, except the offices of President and Secretary; but no officer shall sign or execute any document in more than one (1) capacity.

Section 2. Election, Term of Office and Qualifications. Each officer, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article IV, shall be elected by the Board of Directors at its annual meeting and shall hold office from the following first of January next after his election for two (2) years or until his death or until he shall resign or shall have been disqualified or shall have been removed from office. All of the officers shall be elected from the membership of the Board of Directors; provided, such officers shall not hold office beyond the completion of their respective terms as members of the Board of Directors of the corporation.

Section 3. Subordinate Officers and Agents. The Board of Directors from time to time may appoint other officers or agents, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors from time to time may determine. The Board of Directors may delegate to any officer or agent the power to appoint any subordinate officer or agent and to prescribe his respective authority and duties.

Section 4. Removal. The officers specifically designated in Section 1 of this Article IV may be removed, either with or without cause, by vote of a majority of the whole Board of Directors at a special meeting of the Board called for that purpose. The officers appointed in accordance with the provisions of Section 3 of this Article IV may be removed, either with or without cause, by the Board of Directors, by a majority vote of the Directors present at any meeting, or by any officer or agent on whom such power of removal may be conferred by the Board of Directors. The removal of any person from office shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or the Secretary of the corporation or, if he was appointed by an officer or agent in accordance with Section 3 of this Article IV, by giving written notice to the officer or agent who appointed him. Any such resignation shall take effect upon its being accepted by the Board of Directors or by the officer or agent appointing the person resigning.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, or disqualification, or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed by these bylaws for regular appointments or elections to such offices.

Section 7. President. The President shall be the chief executive officer of the corporation, and, subject to the instructions of the Board of Directors, shall have general charge of the business, affairs, and property of the corporation and control over the other officers, agents, and employees. He shall preside at all meetings of the Board of Directors at which he may be present. The President shall do and perform such other duties as from

time to time may be assigned to him by the Board of Directors.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law. He shall be custodian of the records, books, reports, statements, certificates, and other documents of the corporation and the seal of the corporation, and see that the seal is affixed to all documents requiring such seal. In general, he shall perform all duties and possess all authority incident to the office of Secretary, and he shall perform such other duties and have such other authority as from time to time may be assigned to him by the Board of Directors.

Section 10. Treasurer. The Treasurer shall have supervision over the funds, securities, receipts, and disbursements of the corporation. He shall in general perform all duties and have all authority incident to the office of Treasurer and shall perform such other duties and have such other authority as from time to time may be assigned or granted to him by the Board of Directors. He may be required to give a bond for the faithful performance of his duties in such form and amount as the Board of Directors may determine.

Section 11. Duties of Officers May Be Delegated. In case of the absence of any officer of the corporation or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or to any Director for the time being provided a majority of the entire Board of Directors concurs therein.

Section 12. Salaries of Officers. No officer of the corporation shall receive a salary for his service as such officer if he is also a Director of the corporation.

Section 13. Duties. (a) An officer with discretionary authority shall discharge his duties under that authority in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he reasonably believes to be in the best interests of the corporation.

(b) An officer is not liable for any action taken as an officer, or any failure to take any action, if the officer performed the duties of his office in compliance with subparagraph (a), above, or (unless his actual knowledge concerning the matter in question makes such reliance unreasonable) he relied on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (i) one or more officers or employees of the corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within their professional or expert competence.

ARTICLE V

Committees

Section 1. Investment Committee. The Board of Directors shall appoint an Investment Committee which shall be composed of three (3) individuals each of whom shall remain in office at the will of the Board of Directors. The Investment Committee so appointed shall recommend the manner in which and the extent to which the funds of the corporation shall be invested from time to time and the making and altering of the investments of the corporation. No funds shall be invested without the approval of the Investment Committee.

ARTICLE VI

Contracts. Loans. Deposits. Checks. Drafts. Etc.

Section 1. Contracts. Except as otherwise provided in these bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or to execute or deliver any instruments on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors. Any officer or agent of the corporation thereunto so authorized may effect loans or advances for the corporation and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other evidences of indebtedness of the corporation. Any such officer or agent, when thereunto so authorized, may mortgage, pledge, hypothecate, or transfer as security for the

payment of any and all loans, advances, indebtedness, and liabilities of the corporation any real property and all stocks, bonds, other securities, and other personal property at any time held by the corporation, and to that end, may endorse, assign, and deliver the same, and do every act and thing necessary or proper in connection therewith. Such authority may be general or confined to specific instances.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as may be selected by any officer or officers, agent or agents of the corporation to whom such power may from time to time be given by the Board of Directors.

Section 4. Checks, Drafts, Etc. All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by either the President or the Treasurer, or in such other manner as the Board of Directors from time to time may determine. Such payments may be made by electronic means as the Treasurer may from time to time determine. Endorsements for deposit to the credit of the corporation in any of its duly authorized depositories will be made by the President or Treasurer or by any officer or agent who may be designated by resolution of the Board of Directors in such manner as such resolution may provide.

Section 5. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

ARTICLE VII

General Provisions

Section 1. Corporate Seal. The corporate seal shall be in such form as shall be approved from time to time by the Board of Directors.

Section 2. Fiscal Year. The fiscal year of the corporation shall be the calendar year.

Section 3. Gender. As used in these Bylaws, the masculine gender shall be deemed to include the feminine and feminine the masculine.

Section 4. Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of the Act or under the provisions of the Articles of Incorporation or the bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 5. These bylaws may be altered, amended, or repealed, and new bylaws may be adopted by a majority of the Directors in office at the time; provided, however, that at least five (5) days' notice in writing shall be given of the intention to alter, amend, or repeal or to adopt bylaws at such meeting.

ARTICLE VIII

Indemnification

Section 1. Officer, Director, Employee and Agent Indemnification. Each person who was or is a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (hereinafter, a "proceeding" and including without limitation, a proceeding brought by or on behalf of the corporation itself), by reason that he is or was a Director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or as a trustee or administrator under an employee benefit plan, where the basis of such proceeding is alleged action in an official capacity as Director, officer, employee or agent or in any other capacity while serving as a director, officer, partner, employee, agent, trustee or administrator, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Act as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than the Act permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection

therewith, and such indemnification shall continue as to a person who has ceased to serve in the capacity that initially entitled such person to indemnification hereunder and shall inure to the benefit of his heirs, executors and administrators; provided, however, that the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board.

The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Act so requires, the payment of expenses incurred by a Director, officer, employee or agent in his capacity as such (and not in any other capacity in which service was or is rendered by such person while a director, officer, employee, or agent including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified under this Section or otherwise.

Section 2. Right of Claimant to Bring Suit. If a claim under Section 1 hereof is not paid in full by the corporation within ninety (90) days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Act for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Act, nor an actual determination by the corporation (including its Board or independent legal counsel) that the claimant has not met the applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), the Articles of Incorporation, these bylaws, any agreement, the vote of disinterested Directors, or otherwise.

Section 4. Insurance. The corporation may maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against any liability asserted against and incurred by that person in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify that person against such liability under the Act.

Section 5. Savings Clause. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify and hold harmless each Director, officer, employee and agent of the corporation, as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article that shall not have been invalidated and to the full extent permitted by applicable law.

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