

Articles of Association

Friends of Lake Orange, a Civic Association

(Adopted July 30th, 2008; Revised August 28, 2008 and September 23, 2009)

ARTICLE I

Section 1.1. Name. The name of the Association is “Friends of Lake Orange,” a Civic Association.

Section 1.2. Offices: Friends of Lake Orange is organized to be a not for profit Association for civic purposes. The organization address is PO Box 101, Cedar Grove, North Carolina, 27231.

Section 1.3. Purpose:

The Association is a not-for-profit civic association created to engage exclusively in educational, scientific, investigative, literary, historical, philanthropic and charitable pursuits including, but not limited to, the following:

- a. To further the preservation and water -conservation of Lake Orange and its watershed as a clean and beautiful resource, through education, advocacy and broad-based community involvement, and to further objectives included within or related to those set forth above.
- b. To cooperate or act jointly with other not-for-profit organizations whose purposes would enhance those of the Association.
- c. Although the Association is not incorporated at this time, it is exclusively for one or more of the following purposes: charitable, scientific, testing for public safety, or literary, consistent with section 501(c)(4) of the Internal Revenue Code of 1954, as amended. Anticipating possible future incorporation as a non-profit, the Association will, in general, seek to avoid carrying on any activities not permitted by section 501(c)(4) of the Internal Revenue Code of 1954, as amended.

ARTICLE II

Section 2.1. Membership. Voting Membership in the Association shall be open to all residents and/or property owners of Orange County, North Carolina. Specifically, membership shall be open to every Orange County resident or property or home owner eighteen years of age or over, or businesses, who has paid membership dues on a current basis, as set by the Board of Directors.

Voting membership can only be granted directly to individual households and not through an affiliation with an organization with membership in the Association.

- (a) Exercise of the rights of membership shall be contingent upon the prompt payment of such membership dues that the Board shall set.
- (b) Dues will be assessed annually on an individual and “per household” basis. The membership period shall be from July 1 through June 30, commencing in July, 2008. Dues may be prorated by quarter.
- (c) All members of the household eighteen (18) years or more residing in such household shall become members of the Association.
- (d) The Board shall set dues annually to cover operational expenses and other reasonable expenses incurred by the Association fulfilling its purpose.
- (e) Initial membership and commencement of associated voting rights are granted by the Board. Membership and voting rights become effective at the earlier of acceptance by the majority of the Board, or 30 days from receipt of application and dues.
- (f) The Board may at its discretion by majority vote extend Membership to others not otherwise qualified under this section, or establish a class of non-voting Associate Membership.

Section 2.2. Termination of Membership. The Board shall have the power and authority to suspend or terminate the membership of any member for cause and after such member has been given an opportunity for a hearing, upon not less than five (5) days written notice specifying the charges against him/her. Such suspension or termination must be approved by the affirmative vote of two-thirds (2/3) of the members of the Board. Cause for suspension or termination shall be any violation of these Bylaws, the rules and regulations of the Association, or for conduct detrimental to the best interests of the Association.

ARTICLE III

Section 3.1. Meetings. The Association shall have one general meeting of the voting membership each year, for the purpose the election of Board. The annual meeting of the members of the Association shall be held at a time specified by the Board. Special meetings of the members of the Association for any purpose may be called by the President, the Board Chair, or by the majority of the Board, or at the request of not less than fifteen percent (15%) of the voting members of the Association on no less than five (5) days' notice.

The Board or the President may designate any place, within the State of North Carolina unless otherwise prescribed by statute, as the place for the meeting of the annual meeting or any special meeting called by them.

Section 3.2. Notice of Meetings. It shall be the responsibility of the Secretary to post, at one or more conspicuous locations within the neighborhood as determined by the Board, a notice of each annual or special meeting of the Association stating the date, time and place of such meeting. In addition, notice of any special meeting shall state the purpose thereof. In addition a good faith effort will be made to contact each member directly (via mail, phone, flyer, email, etc.) Notice of the annual meeting or any special meeting shall be posted not less than 5 nor more than 30 days before the meeting.

Section 3.3. Quorum. At any meeting of the voting members, an attendance of five percent (10%) or more of the voting members constitutes a quorum

Section 3.4. Voting. Each voting membership of the Association shall be entitled to one vote. The majority of votes cast on any issue at a meeting with a quorum determines the will of the membership.

Section 4.5. Proxies. At all meetings of members each membership may vote in person or by proxy. All proxies shall be in writing, dated and filed with the Secretary at or before the appointed time of each meeting. Every proxy shall automatically cease upon receipt of notice by the Secretary of the death or judicially declared incompetence of the member, or by written revocation, or, if no duration is specified in the proxy, upon the expiration of two months from the date of the proxy.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. Management Powers, Number, Qualification and Term. The property, affairs, and business of the Association shall be managed by its Board. It may exercise all of the powers of the Association and do all such lawful acts and things as are not by statute, by the Articles of Association or by these Bylaws required to be done or exercised by the members. The Board shall consist of not more than eight (8) nor less than three (3) persons, the exact number of which shall be fixed by resolution of the Board from time to time.

Each Director shall be a voting member of the Association. Each Director shall either be elected by a majority vote of the voting members present, in person or by proxy, at the annual meeting of voting members, and shall serve a term of two (2) years or until their successor shall be elected and duly qualified, or appointed as provided in Section 5.14. The terms of the Board shall be set so that only half, or as near to half as possible, of the Board terms expire in any given year. Directors may succeed themselves.

A couple within the same member household may jointly run for or be appointed to jointly fill a single board position. Such a couple shall count as one board member for voting, quorum and attendance purposes. A joint board membership shall be valid only when the joint nature of the candidacy is announced in advance to the Membership, or Board, as applicable, prior to election to the board. Should one of the participants of a joint membership resign or be removed from the board, the position shall be converted into a conventional individual board membership for the remaining individual. Joint members of the board may not become joint officers of the association; only individuals may become officers.

Section 4.2. Nomination of the Board. Any person (or couple, as applicable) may be nominated for director either from the floor or by a nominating committee. A person (or couple) may nominate him or herself. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 4.3. Meetings. Regular meetings of the Board of Directors may be held at such date, time and place as shall be determined from time to time by a majority of Board, but at least two such meetings shall be held during each fiscal year.

Directors may also participate in a Board meeting by telephone or other two-way electronic means if physical presence is not feasible.

Section 4.4. Special Meetings. Special meetings of the Board shall be held when requested by the President, Board Chair, Vice President, or by a majority of the Board. The notice shall specify the date, time, place and purpose of the meeting, as shall be given to each director as early as feasible. If a Board member does not receive notice of a special meeting, the member's absence is deemed excused.

At any meeting of Board, a majority of Board then in office shall constitute a quorum for the transaction of business. The act of the majority of the Board present at a meeting at which a quorum is present shall be the act of the Board.

Section 4.5. Action without a Formal Meeting. Any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if written consent thereto is signed by a quorum of the Board or of such committee, as the case may be, and such written consent is filed with the Minutes of the proceedings of the Board or committee.

Section 4.6. Compensation. The Board shall not receive compensation for services rendered in fulfilling their duties.

Section 4.7. Expense Reimbursement. No Director shall incur expenses on behalf of the Association in excess of \$50 without prior approval of the Board. Any expenditure reimbursement or expense reimbursement in excess of \$50 shall require the signature of the Treasurer and one other Officer. Reoccurring expenses in excess of \$50 once approved by the Board are considered pre-approved for subsequent occurrences of the expense and do not need to be re-approved.

Section 4.8. Open Meetings. All meetings of the Board shall be open to all members, but members other than Board shall not participate in any discussion or deliberation. However, at the discretion of the Board, members in good standing or others shall be given the opportunity to present their views.

Section 4.9. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may be involved, and orders of business of a similar nature. The nature of any and all business to be considered at executive session shall first be announced in open session.

Section 4.10. Conflict of Interest. Any board member who might have a conflict of interest over a voting issue shall disclose such and, if deemed appropriate by a majority of the members of the Board including the Board member in question, shall abstain from voting on said issue, and if deemed appropriate by a majority of the Board including the Board member in question, shall not participate in any deliberation on said issue.

Section 4.11. Absences. Any person (or both of a couple) serving as a member of the Board who is absent without an excuse for three regular meetings in any twelve-month period (from Annual Meeting to Annual Meeting) may, at the discretion of the Board, be considered to have resigned. "Without an excuse" means, without telling the President or Secretary in advance of the meeting. When explaining an absence, it is best to designate a proxy vote so that the Board may have a quorum.

Section 4.12. Removal from Office. A Director may be removed from the Board, with cause, by the affirmative vote of at least two-thirds (2/3) of the voting members of the Association present, in person or by proxy, at any meeting of the voting members duly called for such purpose and at which a quorum is present.

Section 4.13. Powers. The Board shall have the power to perform all duties and activities on behalf of the Association except as specifically (1) reserved to the voting members; (2) reserved to the officers (used as defined in Section 5.1); or (3) delegated to the officers or others.

Section 4.14. Vacancies and New Board Positions. In the event one or more vacancies shall occur on the Board by reason of death, resignation, or removal, an increase in the number of Board or otherwise, such vacancy shall be filled by the affirmative vote of a majority of the Board then in office. Each person so elected shall serve the unexpired portion of the term.

The Board may elect a new director, increasing the number of the Board, by the affirmative vote of two-thirds (2/3) of the members of the Board. Each person so elected shall serve a term expiring at the next annual meeting. A Director will be deemed to have resigned if such person is no longer a resident of or property owner within Orange County, N.C.

Section 4.15. Committees. The Board may create committees and select a Chair to perform such tasks and to serve for such periods as they designate. Membership on each committee shall consist of at least one Board member and as many other members in good standing of the Association as deemed appropriate by the Chair. The Board may, however, waive the requirement that a Board Member belong to any particular Committee, year-by-year. The Board delegates its authority to the Committees in the area covered by the Committee. With Board supervision, the Committee Chair is responsible for setting up committee organization and procedures. This includes appointing members, setting meeting schedule, setting meeting agenda, and conducting Committee meetings. Prior to becoming a committee member, a candidate committee member must attend at least one Board meeting. (Existing committee members are grandfathered.)

Committee activities must be reported to the Board at regular Board meetings by the Committee Chair or someone they designate on the Committee, or conveyed in advance of the meeting to the Board in hard copy or electronic form.

Should a committee encounter a critical assignment or situation (as determined by the Board), selected members of the Board may be temporarily assigned as committee members or, alternatively, the delegation of authority to the committee may be temporarily suspended so the Board may act in place of the committee.

ARTICLE V

OFFICERS

Section 5.1. Officers. The Officers of the Association shall be a President, Vice President, a Secretary, and a Treasurer, each of whom shall be elected by the Board at its first meeting following the annual meeting, once newly elected Board members have been installed. Such other officers as may be deemed necessary may be elected or appointed by the Board, including additional Vice Presidents and assistant officers who shall hold their offices for such terms as shall be determined by the Board and shall exercise such powers and perform such duties as are specified by these Bylaws or by the Board. No person shall hold more than one office at a given time; however, an officer may also be a Committee Chair or other functions.

Each officer shall be a voting member of the Association. Joint members of the board may not become officers of the association; only individual board members may become officers.

Section 5.2. Term, Removal and Vacancies. All officers shall be elected by and serve at the discretion of the Board for a term of one year, to coincide with the closest scheduled board meeting.

Any officer may be removed from office, with cause, at any time, by the affirmative vote of a majority of the members of the entire Board then in office. A vacancy occurring in any office may be filled by the Board for the unexpired portion of the term thereof.

Section 5.3. Compensation. The officers of the Association shall receive no compensation for the performance of the duties and responsibilities of their offices.

Section 5.4. Powers and Duties. The Officers of the Association shall each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as from time to time may be conferred upon them by the Board.

Section 5.5. President. The President shall be the chief executive officer of the Association and, subject to the control of the Board, shall in general manage and supervise all of the business and affairs of the Association. They shall, when present, preside at all meetings of the members. If the President is not already a member of the Board, they shall be an *ex officio* member of the Board and shall, when present, preside at all meetings of the Board unless another Director shall have been elected by the Board during its term to serve as its permanent Chair. If an elected Chair is not present at a Board meeting, the President shall exercise the functions of Chair.

Section 5.6. Vice President. In the absence of the President or in the event of their death, inability or refusal to act, the Vice President shall perform the duties of the President and, when so acting, shall have all of the powers of and be subject to all of the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to them by the President or by the Board.

Section 5.7. Secretary. The Secretary shall keep the minutes of the membership and Board meetings, see that all notices are duly given in accordance with the provisions of these Bylaws or as required, be the custodian of the Association's records, keep (or delegate to another to keep) the membership roster and mailing list of the Association and in general perform duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

Section 5.8. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds of the Association, receive and give receipts of monies due and payable to the Association, make an annual accounting to the Board, deposit all such monies in the name of the Association in such banks or other depositories as shall be selected in accordance with these Bylaws, and in general perform all of the duties incident to the duties as Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board. Should there be no Vice President, or in the event of their death, inability or refusal to act, the Treasurer shall perform the duties of the President.

Section 5.9. Assistant Officers. Assistant Officers are appointed by the Officer in question, subject to approval by the Board at the next meeting. The Assistant Vice Presidents, Secretaries and Treasurers shall have the authority to act, respectively, in the capacity of which they are assistant in the absence of the principal officer and shall perform such other duties as shall be assigned by the Board.

ARTICLE VI

COMMUNICATION

Section 6.1. Newsletter. The Association shall publish a newsletter from time to time, its frequency of publication to be determined by the Editor who shall be appointed by the Board; provided, however, that any conflict regarding publication shall be resolved by the Board.

The Editor shall determine the contents of the newsletter but with final discretion given to the President. Disputes between the Editor and the President shall be resolved by the Board. Space shall be provided in each issue for a signed article by the President. The Editor also shall set copy deadlines and carry out all other duties necessary to the timely publication of the newsletter.

The newsletter shall not endorse candidates for public office specifically, but may endorse political causes by vote of the Board that it deems will benefit the Association and its membership.

Section 6.2. Web Site. The Association may maintain a Web Site (www.lakeorange.org) with the purpose of informing its membership about affairs of the Association. The design, layout, and contents of the Web site will be determined by a Webmaster appointed by the Board, but with final discretion given to the Board.

ARTICLE VII

COMMITMENTS AND FINANCIAL AFFAIRS

Section 7.1. Contracts. The Board may authorize any Officer to enter into any specific contract or execute any specified instrument in the name of and on behalf of the Association and such authority shall be confined to specific instances.

Section 7.2. Spokesperson. The President shall be the only person with general authority to act as spokesperson for the Association, but may delegate this authority to any other Board Member or Officer of the Association.

Section 7.3. Financial Matters. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by specific action of the Board. No specific expenditure or binding commitment shall be made on behalf of the Association in excess of \$50 without approval of the Board.

All checks, drafts, or other orders for the payment of monies in the name of the Association shall be signed by the Treasurer or, in absence of the Treasurer, the President.

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in a bank or other depository as the Board may select.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of July and ending on the last day of June of each year.

ARTICLE IX

SEAL

The Association seal shall be in such form as the Board may from time to time approve and determine. The seal shall be in the custody of the Secretary and affixed by he Secretary on any papers as may directed by law, by the Bylaws or by the Board.

ARTICLE X

INDEMNIFICATION

The Association shall indemnify and save harmless the Board, Officers, Employees or Agents of the Association for personal losses or damages incurred for the acts or omissions done or not done on behalf of the Association in accordance with the indemnification policy (the "Policy") attached hereto as Exhibit A and incorporated hereto by this reference. It is the intention of the Association that the indemnification under the Policy shall extend to the maximum indemnification possible under the laws of the State of North Carolina.

ARTICLE XI

AMENDMENTS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the members of the Board at the general or special meeting called for that purpose when the proposed amendments have been set forth in full in written notice of such meeting.

ARTICLE XII

CONFLICTS

If there are conflicts or inconsistencies between the provisions of North Carolina law, the Articles of Association, and/or any applicable Bylaws, the provisions of North Carolina law, the Articles of Association, and the Bylaws (in that order) shall prevail.