

BY-LAWS
OF
ST. ANDREW'S SOCIETY OF THE MIDDLE SOUTH

Article I
Name, Office, and Purpose

Section 1 - Name. The name of this Corporation is St. Andrew's Society of the Middle South.

Section 2 - Offices. The initial principal office of the Corporation shall be at 3923 Shannon Lane, Mountain Brook Al., 35213. The Corporation may also have offices at other places as the Board of Managers may from time to time appoint or the purposes of the Corporation may require.

Section 3 – Purpose. The purposes for which the Corporation is organized are educational and patriotic purposes with reference to the history of Scotland and its traditions, including piping, athletic achievements, and promotion of Scottish culture and heritage, with particular reference to the patriotism of American members of the Scottish Clans to the United States of America, and donating educational and scholarship funds to the Grandfather Mountain Highland Games, Inc., or one or more other organizations which meet the requirements of Section 501(c)(3), Internal Revenue Code of 1986, as amended, provided that no individual shall ever benefit directly from the same. No part of its activities shall involve the provision of athletic facilities or equipment.

Notwithstanding anything contained herein to the contrary, upon the dissolution of the Corporation, assets shall be distributed for one of more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

Section 4 – Banner. The banner of the Corporation shall consist of the white cross of Saint Andrew's on a blue field, bearing the escutcheon of the Corporation, the Thistle.

Article II
Members

Section 1 - Membership. Native Scotsmen or male lineal descendants of natives of Scotland, of good moral character, shall be eligible for admittance to membership. Applicants for membership, who are sons of members, shall not be less than eighteen (18) years of age; all other members shall not be less than twenty-one (21) years old. All elections to membership shall be by secret ballot. A favorable vote shall have occurred unless the applicant receives two (2) or more negative votes at a duly constituted Board of Mangers meeting.

(a) **New Members**: New members shall be proposed in writing by a "Sponsor" and an "Endorser," both of whom shall be members in good standing. The letter of proposal shall contain the full name of the applicant, his home and business addresses, the place of his birth, and his profession or occupation, and such additional information as is called for. The written proposal and endorsement shall be addressed to the Secretary or President.

The Board of Managers shall consider proposed new members at the first regular meeting after receipt of the application by the Secretary. After the first reading, the recommendation will be submitted to the Membership Committee for review.

At the next regular meeting following the Membership Committee report of its findings, the Board of Managers may vote upon each proposed new member by separate secret ballot or refer the matter back to the Membership Committee for further study or for additional information.

Upon approval of the Board of Managers, the proposed new member shall submit formal application papers in duplicate to the Genealogist for review and approval or for rejection with comments. The Sponsor and the Endorser shall follow through to see that the application is promptly and adequately completed to the full satisfaction of the Secretary and Genealogist.

In verifying the lineal descent of an applicant from a native of Scotland, in the absence of a lineal tracing of the descent from a specific known ancestor, the Genealogist may accept such other evidence deemed adequate by him, in affidavit form, attested by a person or persons familiar with the applicant's family history, or otherwise deemed admissible in a court of law in accordance with the law of the State of Alabama.

Upon approval of the application papers and assignment of membership number by the Genealogist, they will be turned over, with all necessary attachments, to the Secretary who will immediately notify the Sponsor, President and Treasurer of final approval. Thereafter, the Secretary will notify the applicant of his acceptance and welcome him as a new member.

(b) **Life Members**: Any member who has been an active member in good standing for five or more consecutive years and who contributes per the schedule listed below in one sum to the corpus of the General Fund of the Corporation may become a life member of the Corporation. Life members shall not be required to pay any dues, but shall have all the rights and privileges of, and be subject to all other provisions of these bylaws as are applicable to active members.

UNDER 40 = 16 x ANNUAL DUES
55 - 64 = 12 X ANNUAL DUES

40 - 54 = 14 X ANNUAL DUES
65 & OVER = 10 X ANNUAL DUES

(c) **Honorary Members**: Honorary members shall not be required to pay dues and shall have all the rights and privileges of active members, except the right to hold elective office, and be subject to all other provisions of these bylaws as are applicable to active members. The number of living honorary members shall be limited to ten.

(d) **Inactive Members:** Any active member in good standing who, because of age, ill health, or other infirmity, is determined to be physically or mentally incapacitated, or for other cause deemed sufficient by the Board of Managers, is deemed to be substantially unable to participate in the Corporation's activities, may be designated an inactive member by the Board of Managers, which may reduce or suspend the inactive member's dues during his period of such inability to participate. Eligibility for inactive membership shall terminate whenever the Board of Managers determines that the member is able to participate.

(e) **Non-Resident Members:** Any member who resides more than forty (40) miles from the City of Birmingham, may, upon written or electronically submitted request, be designated a non-resident by the Board of Managers. The annual dues for a non-resident member shall be set and established by the Board of Managers.

(f) **Emeritus Members:** An active member in good standing may be designated prospectively or retroactively by unanimous vote of the Board of Managers as an emeritus member in recognition of such member's contribution of long standing to the Society or the community. Emeritus members shall not be required to pay dues and shall have all the rights and privileges of active members.

Section 2 - Admission Fee and Dues. Every applicant for active membership receiving approval may become a member of the Corporation by the payment of an admission fee and the first year's annual dues. New members admitted after September 30 shall have their annual dues applied against the dues due for the annual period beginning on the next following first day of January. The admission fee, the annual dues, and any late payment fee pertaining to the annual dues shall be determined by the Board of Managers. Annual dues for members who are not new members shall be paid in advance as soon as possible during or preceding the year in which they are due and in any event prior to the member's attendance at any function of the corporation during such year. Upon written request by any member serving on active duty in the armed forces of the United States in time of war or national emergency, the Board of Managers may suspend his liability for dues during his absence.

Section 3 - Termination of Membership.

(a) **Termination for Cause:** Active, life, honorary, inactive, non-resident and emeritus membership may be revoked for just cause after a hearing and unanimous vote by the Board of Managers present at a Board of Manager meeting called for such purpose.

(b) **Termination for Non-Payment of Dues:** At of the beginning of each calendar year, the Treasurer shall prepare a list of names of members whose dues and/or fees are in arrears for the year just ended. The Treasurer, with the assistance of the Board of Managers, shall exercise due diligence and contact each such member to determine whether each such member desires to remain a member of the Corporation by the payment of his delinquent and current dues. Thereafter, the Treasurer shall provide written notice to each such member who has not paid such dues, notifying him that his name shall be stricken from the roll of members of the Corporation if dues are not received within 30 days after the giving of such notice.

Section 4 - Reinstatement. Former members who resigned in good standing shall be reinstated by the Board of Managers upon payment of the current year's dues. Reinstatement to membership is not considered election to membership as provided for in Article II, Section 1.

Section 5 – Membership Committee. The Membership Committee shall consist of a Chairman and five (5) other members in good standing of the Corporation. The President shall appoint the Chairman of the Membership Committee with the approval of the Board of Managers and his identity shall be known to the Managers. The Chairman of the Membership Committee shall appoint the other five members of the Membership Committee.

The Membership Committee shall review all proposals for new members and after a majority has made a decision, report their findings to the Board of Managers, but not necessarily in chronological order of submission to the Membership Committee. The Membership Committee shall consider each applicant as to standing in the community, moral character, service to the community, and any other appropriate criteria which the committee may deem necessary for the approval of new members.

Section 6 - Annual Meeting of Membership. The Members of the Corporation shall annually meet to receive the reports from the Officers, Board of Managers, and Nominating Committee, to elect officers for the ensuing year, and to transact such other business that is to be addressed by the Members of the Corporation. This annual meeting shall be held on or about Saint Andrew's Day or any date selected by the President.

Section 7 - Special Meetings. Special meetings of the Members of the Corporation may be called at any time by the President, the Board of Managers, or by petition of any ten (10) members in good standing, submitted in writing to the Secretary. The business of the Corporation shall be confined to the purposes or subjects as stated in the published announcements of the meeting.

Section 8 - Notice of Meetings. Notice of all meetings of the membership, except as otherwise herein provided, shall be given by sending same at least three days before the meeting to the usual address of the member, but such notice may be waived by any member.

Section 9 - Quorum. At all meetings of the Members of the Corporation, ten percent (10%) of the Membership shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of such Members present at any meeting at which there is a quorum shall be the act of the Membership.

Section 10 - Voting. At the meeting of the Membership of Corporation all questions shall be determined by a majority vote of the Members present, except as otherwise provided herein; in the event of a tie vote, the presiding officer of the meeting shall cast the deciding vote. Except as otherwise provided all voting shall be via voice vote.

Section 11 - Order of Business. At meetings of the Membership of the Corporation the following order of business shall be observed so far as is consistent with the purpose of the meeting, namely:

READING OF MINUTES
REPORT OF OFFICERS
REPORT OF BOARD OF MANAGERS
OTHER REPORTS
ELECTIONS
UNFINISHED BUSINESS
NEW BUSINESS

Section 12 - Member Compensation. The Members shall not receive any stated salary for their services as such.

Article III Governing Body

Section 1 - Board of Managers. The governing body of the Corporation shall be the Board of Managers, and the business and property of the Corporation shall be managed and controlled by the Board of Managers. The Board of Managers shall act as the Board of Directors.

Section 2 - Election. The Board of Managers shall consist of the i) past presidents of the Corporation, and ii) the present officers of the Corporation who will be elected annually by the members to hold office until the next annual meeting of the members or until the election and qualification of their respective successors, except as hereinafter otherwise provided for filling vacancies. Officers shall be chosen at such meeting by the votes of the members, voting either in person or by proxy.

Section 3 - Number. Initially, the number of Managers of the Corporation shall be three (3). The number shall be increased each year to include each past president if such person is not otherwise a Manager and each officer of the Corporation, but in no event shall there be less than three Managers.

Section 4 - Resignation. Any Manager may resign at any time by giving written notice of such resignation to the Board of Managers.

Section 5 - Meetings of the Board of Managers. The Board of Managers shall meet on such day and at such time and place as the President shall designate, but not less than twice a year. A meeting of the Board of Managers may be convened by the President or upon the request of at least three (3) members of the Board of Managers.

Section 6 - Quorum. At all meetings of the Board of Managers, five (5) of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of such Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers.

Section 7 - Voting. At the meeting of the Board of Managers, all questions shall be determined by a majority vote of the Managers present, except as otherwise provided herein; in the event of a tie vote, the presiding officer of the meeting shall cast the deciding vote. Except as otherwise provided all voting shall be via voice vote.

Section 8 - Notice of Meetings. Notice of all meetings of the Board of Managers, except as otherwise herein provided, shall be given by sending same at least three days before the meeting to the usual address of the Manager, but such notice may be waived by any Manager. Regular meetings of the Board of Managers may be held without notice at such time and place as shall be determined by the Board. Any business may be transacted at any meeting of the Board of Managers. At any meeting at which every Manager shall be present, even though without any notice or waiver thereof, any business may be transacted.

Section 9 - Chairman. At all meetings of the Board of Managers, the President or in his absence the Vice-President or in the absence of both, a chairman chosen by the Managers present, shall preside.

Section 10 – Manager Compensation. The Managers shall not receive any stated salary for their services as such.

Section 11 - Powers. All corporate powers, except such as are otherwise provided for in these By-Laws or by the Alabama Nonprofit Corporation Law, shall be and are hereby vested in and shall be exercised by the Board of Managers.

Article IV

Officers

Section 1 - Officers. The officers of the Corporation shall be the President, Vice President, Vice Presidents at Large, Secretary, Treasurer, Deputy Treasurer, Genealogist and Registrar, Historian, Chancellor, Vice Chancellor, Chaplain, Surgeon, Pipe Major with deputies, a Sergeant-at Arms, and for each state, a Vice President, with such powers and duties not inconsistent with these By-Laws. One person may hold more than one office, except that the President may not also be the Secretary. The Board of Managers may, in its discretion, create additional offices for duties it deems necessary for the management of the Corporation. The officers (including any officers needed to fill offices created by the Board of Managers) shall be elected annually by the members at the annual meeting of the members of the Corporation.

Section 2 – Officer’s Duties and Responsibility.

(a) **President:** The President shall preside at all meeting of the Corporation including meetings of the Board of Managers and shall represent the Corporation at public functions. He shall sign and execute in the name of the Corporation all legal instruments and other papers proper or necessary for the transaction of the Corporation’s affairs. He shall convene a meeting of the members of the Corporation at his discretion or upon request of ten members of the Corporation, or upon the request of three members of the Board of Managers. He shall convene the Board of

Managers at his discretion or upon the request of three members of the Board of Managers. Presidents, after serving, shall become past Presidents and members of the Board of Managers for life. Each person heretofore or hereafter elected as President may wear a suitable medallion.

(b) **Vice President:** The duties of the President shall in his absence, death, or disability, devolve on the Vice President.

(c) **Treasurer:** The Treasurer shall have custody of the money belonging to the Corporation and shall deposit same in the name of the Corporation in one or more insured banks as designated by the Board of Managers. All payments of money shall be made, and all checks must be signed by the Treasurer or as the Board of Managers or the Corporation may direct. The Treasurer shall keep an accurate roster of all members and their standing. The Treasurer shall submit a written report showing the current balances in each of the funds of the Corporation and his receipts and disbursement in detail since his last report. A report of the financial condition of the Corporation, including a classified statement of receipts and disbursements and a complete statement of assets and liabilities shall be made by the Treasurer to the Board of Managers or to the Corporation whenever directed by the Board of Managers and a report of like character as of the end of the fiscal year and shall be submitted by the Treasurer at the annual meeting of the members of the Corporation.

(d) **Secretary:** The Secretary shall keep in a proper book fair and correct minutes of all proceedings of the Board of Managers and of the Corporation. He shall have custody of the seal of the Corporation and shall attach the seal to all instruments requiring it when signed and executed by the President. He shall give notice of all meetings of members of the Corporation at least three days before each meeting by sending a notice thereof to each member as their contact information appears on the records of the Corporation. He shall give notice of all meetings of the Board of Managers at least three days before each board meeting by sending a notice thereof to each Manager as their contact information appears on the records of the Corporation. The Secretary shall keep such other records and have such other duties as may be directed by the Board of Managers.

(e) **Genealogist and Registrar:** The Genealogist and Registrar shall examine genealogical data supplied by an applicant in support of eligibility and render an opinion as to the genuineness of it. He will also assign new members a membership number upon final approval of their application. He shall also receive, file, and safeguard the membership records of the Corporation.

(f) **Historian:** The Historian shall record memorable activities of the Corporation, report the deaths of members to the Annual meeting via a written eulogy which shall be preserved for posterity. A copy of the eulogy shall be sent to the next of kin and to the Registrar.

(g) **Chancellor:** The Chancellor shall counsel the Corporation and the Board of Managers of legal problems encountered by either, and rule on parliamentary issues arising at any meeting, subject to an appeal to the Corporation or the Board of Managers. The Vice Chancellor shall function in the absence of the Chancellor when he is requested to do so by the Chancellor or the Board of Managers.

(h) **Chaplain:** The Chaplain shall begin the meetings of the Corporation. When called upon by the President, he shall, to the extent possible, offer solace and comfort to the members of the Corporation and their families and other Scotsmen who happen to be in our midst.

(i) **Surgeon:** The Surgeon shall interest himself in the general health of the members as a whole.

(j) **Pipe Major:** The Pipe Major shall pipe at the Annual Meeting and on other occasions as requested by the President or the Board of Managers.

(k) **Sergeant-at-Arms:** The Sergeant-at-Arms shall maintain order at all meetings of the Corporation and shall have charge of all the flags, banners, and other ceremonial accoutrements and items of the Corporation.

Section 3 – Nomination of Officers. Prior to October 15 in each year and at least twenty-five (25) days before the Annual Meeting of the Corporation, the Nominating Committee consisting of the past Presidents, shall report to the Secretary a list of members to be voted on at the ensuing election which shall coincide with the Annual Meeting, to succeed the officers and members of the Board of Managers whose terms expire at such annual meeting. Such list to be entitled “Nominating Committee Nominations” shall be sent by the Secretary to each member of the Corporation at least three weeks before the day fixed for the annual meeting.

The action of the Nominating Committee shall in no way interfere with the right of any member of the Corporation to make his own nominations, but all such independent nominations shall be sent to the Secretary at least ten (10) days before the day fixed for the annual meeting. All votes cast at the annual meeting for person other than those nominated as aforesaid shall not be counted.

Section 4 - Vacancies. In case any office of the Corporation becomes vacant for any reason, the President shall appoint a member of the Corporation to fill such vacancy, and the member so appointed shall hold office and serve until the annual meeting of the members next succeeding or until the election and qualification of his successor.

Section 5 - Removal. Any officer may be removed from office by the affirmative vote of two-thirds of the Managers present at a regular or special meeting called upon three days prior written notice for that purpose meeting and at which a quorum is present.

Section 6 - Compensation. No Officer shall receive a salary or other compensation for their services as such.

Article V

Prohibition Against Sharing in Corporate Earnings

Section 1 - Prohibition. No incorporator, member, Manager, benefactor, officer, employee or other person connected in any way 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, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Managers; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. Upon any dissolution of the Corporation, the provisions in Section 2 below shall govern in all events.

Section 2 – Payments on Dissolution. Upon the dissolution of the Corporation, the Board of Managers shall, after paying or making provisions for payment of all liabilities of the Corporation, dispose of all of the assets of the Corporation by transferring the same to the Grandfather Mountain Highland Games, Inc., Linville, North Carolina, provided that such organization qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or, upon failure of such organization to so qualify, to such organization or organizations organized or operating exclusively for charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or its successors, as the Board of Managers shall determine. Any assets not so disposed of shall be disposed of by the Probate Court of Jefferson County, Alabama, or by the Probate Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Notwithstanding anything contained herein to the contrary, upon the dissolution of the Corporation, assets shall be distributed for one of more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

Article VI

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 Managers, without being restricted to class of investments which a Manager is or may hereafter be permitted by law to make or any similar restriction, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial or the tax exemption under any provision of the Internal Revenue Code of 1986, as amended, or its successor, and regulations promulgated thereunder as they now exist or as they may hereafter be amended.

Article VII
Amendments

Section 1 – Proposal By Managers to Members. The Board of Managers shall have the power to propose to the membership any alteration or amendment to these By-Laws which have been approved by affirmative vote of two-thirds of the Managers present at a meeting at which a quorum is present.

Section 2 – Adoption By Members. Once an alteration or amendment of these By-Laws is proposed by the Board of Managers to the membership, then such alteration or amendment shall be submitted to the membership either at a specially called meeting of the membership, provided the notice of this specially called meeting includes a copy or a summary of such alteration or amendment proposed by the Board of Managers, or at the membership's next annual meeting. At such meeting the Board of Managers' proposed alteration or amendment shall be presented and if approved by a majority vote of all the members, represented either in person or by proxy at a meeting at which a quorum is present shall become an alteration or amendment to these By-Laws.

Article VIII
Prohibited Activities

Section 1. Notwithstanding any other provision of these By-Laws, no member, incorporator, Manager, benefactor, officer, employee or other representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or its successor, and regulations promulgated thereunder, or by an organization contributions to which are deductible under Section 170(c)(2) of such code and regulations as they now exist or may hereafter be amended.

Section 2. Notwithstanding any other provision of these By-laws, this organization shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue Law.

Article IX
**Expenditures for Religious,
Charitable, Educational, etc. Purposes**

The Managers shall, from time to time, determine to what religious, educational, scientific, literary and charitable purposes or institutions contemplated in the Certificate of Formation and these Bylaws of the Corporation, the income or principal funds of the Corporation shall be applied. No pecuniary obligations shall be undertaken by the Corporation without sanction by resolution of the Board Managers at a meeting at which a quorum of the Managers is present.

Article X
Deposit Accounts and Fiscal Year

Section 1 - Deposit Accounts. The Treasurer shall, with the approval of the President, establish a deposit account or deposit accounts in such bank or banks as may be selected by the Board of Managers, and all checks on any such deposit account shall be signed and countersigned by such persons as may, from time to time, be designated by the Managers, any of whom may be one or more of the Managers.

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

Article XI
**Immunity For Volunteers
and Indemnification of Directors, Officers, Etc.**

Pursuant to Section 10A-3-2.43 of the Code of Alabama, the Corporation does hereby intend to provide the broadest indemnification to its Directors and officers that is authorized and permitted by law. The Managers, officers, and any of the volunteers performing services for the Corporation shall receive the full benefit of the immunity provided by The Volunteer Service Act, as set forth in Section 6-5-336 of the Code of Alabama.

(a) In furtherance of the above-stated intent, the Corporation shall indemnify and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals, by reason of the fact that such person is or was a Manager, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Manager, officer, employee or agent of another corporation, partnership, joint venture, association, trust or other enterprise, against expenses (including without limitation attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such claim, action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The

termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) To the extent that a Manager, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to herein or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including without limitation attorneys' fees) actually and reasonably incurred by him in connection therewith.

(c) Expenses (including attorney's fees) incurred in defending any claim, action, suit or proceeding may be paid by the Corporation in advance of the final determination, settlement or other disposition of such claim, action, suit or proceeding upon receipt by the Corporation of an agreement by or on behalf of the Manager, officer, employee or agent to repay such amount if it shall be determined that such person was not entitled to be indemnified under this section.

(d) The foregoing right of indemnification shall not be exclusive and shall be in addition to any other rights to which the Manager, officer, employee, or agent may be entitled under any statute, rule of law, agreement or resolution or vote of the Board of Managers.

Article XII

Waiver of Notice and Action Without a Meeting

Section 1 - Waiver of Notice. In accordance with Section 10A-3-2.04 of the Alabama Nonprofit Corporation Law, whenever any notice is required to be given to any member or Manager of this Corporation under the provisions of law, or under the provisions of these By-Laws or the Certificate of Formation, 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 equivalent to the giving of such notice.

Section 2 - Action Without a Meeting. Pursuant to Section 10A-3-2.14 of the Alabama Nonprofit Corporation Law, any action required by law to be taken at a meeting of the members or Board as of the Corporation or any action which may be taken at a meeting of the members or Managers or a committee of Managers may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof, all of the Managers or all of the members of the committee of Managers, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

Article XIII

Conflict of Interest Policy

Section 1 – Purpose. The purpose of the conflict of interest policy is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, Manager or director of the Organization or might result in a possible

excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2 – Definitions. When used in this Article, the term “Interested Person” shall mean any Manager, director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest and “Financial Interest” shall mean an interest a person has either directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 4 hereof, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3 – Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

Section 4 - Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Section 5 - Procedures for Addressing the Conflict of Interest.

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested members of such board or committee whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

Section 6 - Violations of the Conflicts of Interest Policy.

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 7 – Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 8 – Compensation.

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 9 – Annual Statements. Each Manager, director, principal officer and member of a committee with governing board delegated powers shall abide by this conflict of interest policy and if requested sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 10 – Periodic Reviews. To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 11 – Use of Outside Experts. When conducting the periodic reviews as provided for in Section 10 of this Article, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Date: December 11, 2021