

BYLAWS OF  
THE MYERS PARK WESLEY FOUNDATION, INC.

ARTICLE I. IDENTITY

Section 1.01. Name and Identity. These are the Bylaws of the above-named incorporated foundation, The Myers Park Wesley Foundation, Inc. (the "Foundation"), a non-profit religious and charitable foundation organized pursuant to the laws of the State of North Carolina to carry on in corporate form the mission, ministry, program and other activities of Myers Park United Methodist Church ("MPUMC") as part of the Western North Carolina Annual Conference of the United Methodist Church. The Foundation is a charitable and religious corporation, as defined in Section 55A-1-40(4) of the North Carolina General Statutes, and is organized exclusively for religious and charitable purposes in accordance with, and subject to the requirements for tax exemption under, Section 501(c)(3) of the Code (as defined below) or the corresponding provision of any future United States internal revenue law.

Section 1.02. Registered Office. The Foundation shall have and continuously maintain in the State of North Carolina a registered office and a registered agent whose office is identical with such registered office. Such registered office shall be located at such place within the State of North Carolina as may from time to time be fixed and determined by the Board.

ARTICLE II. DEFINITIONS

The following terms, as used herein, are defined as follows:

Section 2.01. The term "Administrator" shall mean the person appointed from time to time by the Senior Minister to serve in such capacity.

Section 2.02. The term "Board" shall mean the Board of Directors of the Foundation.

Section 2.03. The term "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

Section 2.04. The term the "Discipline" shall mean *The Book of Discipline of The United Methodist Church*, as amended from time to time by the General Conference of the United Methodist Church.

Section 2.05. The term "Funds" shall mean the aggregate amount of Restricted Funds and Unrestricted Funds. As of the effective date of these Bylaws, the balances of the Funds transferred to the Foundation are as follows:

Funds:	\$ 8,007,036.98
Restricted Funds:	\$ 109,347.90
Unrestricted Funds:	\$ 7,897,689.08
Restricted Funds Corpus:	\$ 103,452.57

Section 2.06. The term "Investment Advisor" shall mean that individual or firm selected by the Board pursuant to Section 9.08 to assist the Board in the selection and administration of proper investment vehicles for the assets of the Foundation.

Section 2.07. The term "Restricted Funds" shall mean all cash, deposit accounts, and other personal property or real property now owned or hereafter acquired by the Foundation from which distributions may only be made to the extent that the fair market value of the Restricted Funds, as of the date that any determination be made, exceeds the Restricted Funds Corpus. A Transferor of Restricted Funds may designate the purpose(s) for which its gift of Restricted Funds may be used.

Section 2.08. The term "Restricted Funds Corpus" shall mean, as of the date that any determination be made, an amount equal to the sum of all of the contributions made to the Foundation that are Restricted Funds, valued at fair market value as of the date received.

Section 2.09. The term "Senior Minister" shall mean the Senior Minister of MPUMC, as appointed from time to time by the Presiding Bishop of the Western North Carolina Annual Conference of the United Methodist Church in accordance with the Discipline.

Section 2.10. The term "Transferors" shall mean all donors, testators, and other transferors who have given, bequeathed, devised, or otherwise transferred, or who shall in the future give, bequeath, devise or otherwise transfer, Restricted Funds or Unrestricted Funds to the Foundation to be held, administered and distributed in a manner consistent

with the purposes of the Foundation. The term "Transferor" shall mean one of the Transferors.

Section 2.11. The term "Unrestricted Funds" shall mean all cash, deposit accounts, and other personal property or real property now owned or hereafter acquired by the Foundation for which there are no restrictions on the distributions therefrom, except as otherwise set forth herein. A Transferor of Unrestricted Funds may designate the purpose(s) for which its gift of Unrestricted Funds may be used. Distributions from the Unrestricted Funds shall not be limited, and may be made from any portion or all of the Unrestricted Funds.

### ARTICLE III. PURPOSES AND POWERS

Section 3.01. Purposes. The Foundation is organized as a local foundation of MPUMC exclusively for charitable and religious purposes, including the purposes set forth in its Articles of Incorporation; the promotion of the Christian religion through the preaching of the word of God; the reaching out and receiving with joy all who will respond; the encouragement of people in their relationship with God and inviting them to commit to God's love in Jesus Christ; to provide opportunities for people to seek spiritual formation; and to support people to live lovingly and justly in the power of the Holy Spirit as faithful disciples, all in accordance with the Discipline. The Foundation has the additional purposes of providing for the centralization of the investment and administration of all Funds owned or hereafter acquired by the Foundation.

Section 3.02. Powers. All the powers authorized and permitted by the Discipline for a local church foundation shall be the powers of this Foundation, together with such powers as are granted to the Foundation by the North Carolina Nonprofit Foundation Act, as amended from time to time.

### ARTICLE IV. GOVERNANCE

Section 4.01. Governance. For guidance in the operation of its affairs, the Foundation shall look to these Bylaws, the Articles of Incorporation, the Discipline, the North Carolina Nonprofit Foundation Act, and the requirements for continued qualification as a tax-exempt organization under Section 501(c)(3) of the Code.

Section 4.02. Conflicts. It is intended that the Foundation be governed, and its affairs be conducted, as a foundation of MPUMC, in accordance with the Discipline and with all of the rights, powers, privileges and immunities of a North Carolina nonprofit foundation, and these Bylaws shall be construed accordingly. Where these Bylaws may conflict with the Discipline, the Discipline shall control. To the extent necessary to effectuate the foregoing, The Discipline is hereby incorporated by reference into these Bylaws.

#### ARTICLE V. MEMBERS

Section 5.01. Membership. The Foundation shall have no members.

#### ARTICLE VI. BOARD OF DIRECTORS

Section 6.01. Election, Service and Powers. The Board of Directors of the Foundation shall be elected from the membership of MPUMC by its Charge Conference and serve in accordance with the provisions of the Discipline, and shall have and exercise all of the powers and responsibilities of a board of directors of a North Carolina nonprofit corporation except to the extent that such power and responsibilities are limited by the Articles of Incorporation, these Bylaws or the Discipline, if at all. Except as otherwise set forth herein, any third party dealing with the Foundation may rely upon any act of the Board that has been approved in accordance with the procedures set forth herein and is within the powers and authority of a board of directors of a North Carolina nonprofit foundation as being the act and deed of the Foundation unless such third party has actual knowledge to the contrary.

Section 6.02. Number, Qualifications, Term and Initial Members of the Board. The number, qualifications, and constitution of the Board, their term in office and their method of election, removal and replacement shall be in accordance with the provisions of these Bylaws and the Discipline. The Board shall consist of nine (9) voting directors, and shall also include two (2) ex-officio nonvoting directors. The term of office for the voting directors shall be three (3) years except for the staggered terms of the initial board specified below. The two (2) ex-officio nonvoting directors shall consist of the Senior Minister and Administrator. The voting directors of the Board shall initially consist of the following nine individuals:

Terms Expiring December 31, 2010:

Virginia Martin  
J. Gary Morgan  
Kenneth E. Rice

Terms Expiring December 31, 2011:

Joyce Gossett  
Linda Farthing  
John J. Carpenter

Terms Expiring December 31, 2012:

Glen Cole  
Lynn Hodges  
Patrick Vaughn

Section 6.03. Scope of Management. The property, equipment, insurance coverage, bequests, and trusts of the Foundation shall be managed by the Board, consistent with the responsibilities of the Board as set forth in the Discipline.

Section 6.04. Removal. Any member of the Board may be removed from office at any time by a majority vote of the Board, as then constituted, notwithstanding the fact that the term for which such member of the Board may have been elected has not expired. No cause need be assigned for any removal under this section.

Section 6.05. Resignation. Any member of the Board may resign at any time by giving notice thereof in writing to the chairperson or secretary of the Foundation. Such resignation shall take effect at the time specified therein, 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. If no time is specified within the written notice, then the resignation shall be deemed effective at the time such resignation is received by the chairperson or secretary, as the case may be.

Section 6.06. Vacancies. In the event of any vacancy occurring in the Board by death, resignation, disqualification, or otherwise, the remaining members of the Board shall continue to act; and such vacancy may be filled by the vote of a majority of the remaining

members of the Board, even though such majority is less than a quorum, or by the sole remaining member of the Board, if there be only one (1) such member remaining. Any member of the Board so chosen shall hold office for the unexpired portion of the term of the person whom the newly elected member of the Board succeeds and until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign or shall become disqualified.

Section 6.07. Compensation of Board. The members serving on the Board of the Foundation shall act without bond and without compensation.

## ARTICLE VII. OFFICERS OF THE BOARD

Section 7.01. Election. The Board shall elect from its membership, to hold office for a term of one year or until their successors shall be elected, a chairperson, vice chairperson, and secretary, who shall serve as the officers of the Foundation. The Board may, at its option, elect a treasurer. If no treasurer is elected, the Administrator shall so serve.

Section 7.02. Removal. Any officer may be removed from office at any time by a majority vote of the Board, as then constituted, notwithstanding the fact that the term for which such officer may have been elected has not expired. No cause need be assigned for any removal under this section.

Section 7.03. Resignation. Any officer may resign at any time by giving written notice to the Board or to the chairperson or the secretary of the Foundation. Any such resignation shall take effect upon its being accepted by the Board. Such resignation shall take effect at the time specified therein, 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. If no time is specified within the written notice, then the resignation shall be deemed effective at the time such resignation is received by the Board, chairperson or secretary, as the case may be.

Section 7.04. Vacancy. The Board at any regular or special meeting may fill any vacancy in any office.

Section 7.05. Chairperson. The chairperson shall preside at all meetings of the Board. The chairperson shall execute all contracts authorized by the Board and shall perform

such other duties as are incident to the office or properly required of him or her by the Board, in accordance with the Discipline.

Section 7.06. Vice Chairperson. The vice chairperson shall perform the duties of the chairperson in the absence or disability of the chairperson. In addition, the vice chairperson shall have such powers and discharge such duties as may be properly assigned to him or her, from time to time, by the Board, in accordance with the Discipline.

Section 7.07. Secretary. The secretary shall keep a record of all proceedings at the meeting of the Board, give notices, have custody of the corporate seal, if any, attest when necessary the signature of the chairperson, affix the seal to all instruments required to be executed under seal and as authorized by the Board, attend to any and all filings required by state law, and maintain the Foundation's records, as more specifically detailed in Article XI. The secretary shall have such other powers and perform such other duties as are incident to the office or properly required of him or her by the Board, in accordance with the Discipline.

Section 7.08. Treasurer. The Administrator shall serve as the treasurer of the Foundation unless the Board shall exercise its option to elect a treasurer. The treasurer shall have supervision over the funds, securities, receipts, and disbursements of the Foundation. He or she shall in general perform all duties and have all authority incident to the office of the treasurer and shall perform such other duties and have such other authority as from time to time may be assigned or granted to him or her by the Board.

Section 7.09. Other Officers. The Board 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 from time to time may determine. The Board may delegate to any officer or agent the power to appoint any subordinate officer or agent and to prescribe his or her respective authority and duties.

Section 7.10. 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, a majority of the Board may delegate the powers or duties of such officer to any other officer or to any member of the Board.

Section 7.11. Officer Compensation. The officers of the Foundation shall act without bond and without compensation, unless the Board shall elect to require the officers to obtain a bond or similar insurance.

## ARTICLE VIII. MEETINGS OF THE BOARD

Section 8.01. Meetings; Notice. The Board shall meet at least annually, at the call of the Senior Minister or the chairperson of the Board, at such times and places as shall be designated in a notice given to each Board member and the Senior Minister. The notice shall include the date, hour and place of all such meetings, but need not describe the purpose of the meeting unless otherwise required by the Discipline, these Bylaws or the North Carolina Nonprofit Corporation act. The notice may be by mail, telephone, fax machine, or electronic mail. If such notice is given to a Board member or Senior Minister in writing by U.S. mail, it shall be mailed, correctly addressed to such Board member or Senior Minister with postage prepaid, no later than ten (10) days prior to the date of the meeting. If such notice is given to a Board member or Senior Minister in writing otherwise than by mail, it shall be given so that it is received by such Board member or Senior Minister no later than five (5) days prior to the meeting. If such notice is given orally to a Board member or Senior Minister, it shall be communicated orally to such Board member or Senior Minister no later than five (5) days prior to the meeting. Delivery or completion of transmission of written notice to the address of a Board member or Senior Minister shall be deemed receipt by such Board member or Senior Minister, and any such written notice given to a Board member or Senior Minister by mail that is not timely mailed shall nevertheless be valid and effective if so received by such Board member or Senior Minister no later than three (3) days prior to the date of the meeting. A Board member or Senior Minister may waive any such notice by signing a writing to that effect, whether before or after the meeting, and such waiver being filed with the minutes or corporate records; and, in addition, attendance by a Board member or Senior Minister at or participation in a meeting shall constitute a waiver by such person of notice of such meeting, unless such person at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or to the transaction of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 8.02. Organizational Meeting. An organizational meeting of the Board shall be held within thirty (30) days after the beginning of the ensuing calendar or conference



year, for the purpose of electing officers for the ensuing year and transacting any other business properly brought before it.

Section 8.03. Special Meetings. Special meetings of the Board may be called by or at the request of the chairperson, two or more members of the Board, or the Senior Minister. Notice of any special meeting of the Board shall be given to each Board member and the Senior Minister in accordance with the notice provisions set forth in Section 8.01, above.

Section 8.04. Quorum; Voting Requirements. A quorum at any Board meeting shall consist of a majority of the Board, as constituted at the time of such meeting. The acts approved by a majority of those present at any meeting, at which a quorum is present, shall constitute the acts of the Board, except where a greater vote is required by applicable law or the Discipline. Any Board member who is present at a meeting at which action on any Foundation matter is taken shall be presumed to have assented to the action taken unless his or her contrary vote is recorded or his or her dissent is otherwise entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Foundation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Board member who voted in favor of such action.

Section 8.05. Action without meeting. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if the action is evidenced by a written resolution describing and approving the action taken that is unanimously approved and executed by all of the Board's voting members.

Section 8.06. Procedural Rules. Notwithstanding the foregoing, the Board shall meet according to the procedural rules of a foundation of a local church as set forth in the Discipline, if any.

#### ARTICLE IX. ADMINISTRATION AND DISTRIBUTION OF FOUNDATION ASSETS

Section 9.01. Strategy. The Board shall hold, manage, invest, distribute and otherwise administer the Funds received by the Foundation pursuant to these Bylaws.

Section 9.02. Administration of Funds. The administration of the Foundation's assets shall be as follows:

(a) Administration of Restricted Funds. The Board shall receive, hold, manage, invest, distribute and otherwise administer all Restricted Funds in accordance with (i) these Bylaws and (ii) the intent, instructions and directions of the respective Transferors of such Restricted Funds, if any (as specified in any written instruments pertaining to such funds, such as (but not limited to) wills and trusts); provided, however, that this provision shall be subject to the restrictions set forth in Section 9.03. Notwithstanding the foregoing, distributions may only be made to the extent that the fair market value of the Restricted Funds, as of the date that any determination is made, exceeds the Restricted Funds Corpus.

(b) Administration of Unrestricted Funds. The Board shall receive, hold, manage, invest, distribute and otherwise administer all Unrestricted Funds in accordance with (i) these Bylaws and (ii) the intent, instructions and directions of the respective Transferors of such Unrestricted Funds, if any (as specified in any written instruments pertaining to such funds, such as (but not limited to) wills and trusts); provided, however, that this provision shall be subject to the restrictions set forth in Section 9.03. Distributions from the Unrestricted Funds shall not be limited, and may be made from any portion or all of the Unrestricted Funds.

(c) Directions given by Transferor. To the extent that compliance with a Transferor's intent, instructions and/or directions becomes impossible, impractical or illegal, the Board shall administer the Funds in a manner deemed by the Board in its reasonable discretion to be compatible with the general intent of the applicable Transferor.

(d) Allocation and grants of distributable Funds. Grants of distributable Funds, if not otherwise designated by a Transferor, shall be made for three general purposes which are (i) the repair, renovation, restoration or expansion of MPUMC's real and personal property, (ii) support of programs administered by MPUMC for ministry and outreach situated outside the church facilities, and (iii) support of programs administered by third parties including individuals, corporations, foundations, institutions, or other entities, that are compatible with the Christian goals of MPUMC and as contained in the Discipline. In allocating funds for these purposes, the Board shall be mindful of the amounts available for

distribution, the severity of the needs, and the availability of alternative sources of funding to meet those needs.

(e) Limitations on Distributions. Early in each calendar year, the Board, in its sole discretion, may elect to impose limits on the amount to be distributed from Restricted Funds during the year as an aid in planning and quantifying the capacity of the Foundation to undertake and fund projects during the year. Such limits should be expressed as a percentage of the aggregate market value of Restricted Funds in order to facilitate comparison with recognized standards and policies for maintaining and preserving investment portfolios under various withdrawal rates.

Section 9.03 Limitation Upon Use of Foundation assets. No distributions of the Foundation shall be used for the payment of any items provided for in the annual operating budget of MPUMC, except for the repair, renovation, restoration or expansion of MPUMC's real and personal property, and also with the exception of certain Funds for which the Transferors have designated the use thereof. In the sole discretion of the Board, however, the Foundation may make loans to MPUMC on such terms and conditions approved by the Board.

Section 9.04. Review of Prospective Donations. The Board shall have the power to review all proposed gifts and transfers of Funds to the Foundation, and shall further have the power to approve or reject such proposed gifts and transfers as they in their sole discretion deem appropriate, bearing in mind the purposes underlying the creation and existence of the Foundation.

Section 9.05. Allocation of Funds. A Transferor may designate in writing whether a transfer of Funds to the Foundation be allocated to Restricted Funds or Unrestricted Funds. In the event that a Transferor fails to make such designation in writing, then such transfer of Funds to the Foundation shall be allocated to Restricted Funds.

Section 9.06. Encouragement of Transferors. All prospective Transferors of Funds should be encouraged by the Board to authorize and direct the use of such funds for purposes other than those initially designated by such Transferors (if any) when the initial designated recipients cease to exist, when the original designated purposes are no longer feasible or appropriate, or when the original purposes are not in keeping with the policies of MPUMC, the doctrine or doctrinal statements contained within the Discipline.

Section 9.07. Management of Funds. The Board shall abide by and manage all funds consistent with N.C.G.S. Chapter 36E, the North Carolina Uniform Prudent Management of Institutional Funds Act, to the extent that it does not conflict with the Discipline, the Articles of Incorporation, the Bylaws, and the creating instrument, if any, as the same may be replaced, amended or superseded from time to time.

Section 9.08 Employment of Investment Advisor. The Board may employ an Investment Advisor to assist it in selecting prudent investment vehicles for the Foundation. Such Investment Advisor shall receive and be paid such commissions or other compensation as agreed upon by the Board. Such payment shall be treated as an expense of administration of the Foundation. Any Investment Advisor employed pursuant to this Paragraph shall be bonded, or otherwise insured, except as may be otherwise determined by the Board.

Section 9.09. Distributions. Distributions from the Foundation shall be made by check made payable to the appropriate recipient. The treasurer shall establish a checking account at a bank designated by the Board for such purpose. Distribution checks shall be executed jointly by the chairperson (or vice chairperson) and by the treasurer; provided, however, that in the absence of the treasurer distribution checks may be signed by the chairperson (or vice chairperson) and Secretary.

Section 9.10. Loans. No loans shall be contracted on behalf of the Foundation and no evidence of indebtedness shall be issued in its name, unless and except as authorized by a written resolution of the Board. Any officer of the Foundation thereunto so authorized may effect the loans or advances for the Foundation and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other evidences of indebtedness of the Foundation. Any such officer, 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 Foundation any real property and all stocks, bonds, other securities, and other personal property at any time held by the Foundation, 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 9.11. Deposits. All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks or trust companies or with such other

depositories as the Board may select, or as may be selected by any officer or officers of the Board to whom such power may from time to time be given by the Board.

Section 9.12. Checks, Drafts, Etc. All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by the chairperson (or vice chairperson) and by the treasurer (or secretary), or in such other manner as the Board from time to time may determine. Endorsements for deposit to the credit of the Foundation in any of its duly authorized depositories will be made by the chairperson (or vice chairperson) or treasurer (or secretary) or by any officer or agent who may be designated by resolution of the Board in such manner as such resolution may provide.

#### ARTICLE X. INDEMNIFICATION

Section 10.01. Any person who at any time is serving as a member of the Board shall have a right to be indemnified by the Foundation to the fullest extent permitted under the North Carolina Nonprofit Corporation Act and the Discipline against (a) expenses, including reasonable attorneys' fees, actually and necessarily incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, whether formal or informal, and whether or not brought by or on behalf of the Foundation, arising out of his or her status as such Board member, or his or her status as an officer, employee or agent of the Foundation (including service on any committee, commission, council, task force or other body or agency of this Foundation other than the Board), or his or her service, at the formal request of the Foundation, as a director, officer, partner, trustee, employee or agent of any other Foundation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan, or his or her activities in any of the foregoing capacities, and (b) any liability incurred by him or her, including without limitation, satisfaction of any judgment, money decree, fine (including any excise tax assessed with respect to an employee benefit plan), penalty or settlement, for which he or she may have become liable in connection with any such action, suit or proceeding.

Section 10.02. The Board shall take all such action as may be necessary and appropriate to authorize the Foundation to pay the indemnification required by these Bylaws, including without limitation, to the extent necessary, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him or her.

Section 10.03. In the sole discretion of the Board, expenses incurred by a Board member in defending an action, suit or proceeding may be paid by the Foundation in advance of the final disposition of such action, suit or proceeding upon receipt by the Board of a written request by or on behalf of the Board member to pay such amount, unless and until it shall ultimately be determined that he or she is not entitled to be indemnified by the Foundation against such expenses. The written request contemplated by this Section 10.03 shall set forth the details, facts and basis supporting the Board member's request for an advance of said expenses.

Section 10.04. Any person who at any time after the adoption of these Bylaws serves as a member of the Board shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein, and any modification or repeal of these provisions for indemnification shall be prospective only and shall not affect any rights or obligations existing at the time of such modification or repeal. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of these Bylaws.

Section 10.05. The Foundation may, to the fullest extent permitted by applicable law and The Discipline, but, unless otherwise required by law, only as and to the extent authorized by general or specific action by the Board or as and to the extent required by any contract duly approved by the Board or the members, indemnify and advance expenses to any one or more of its current or former trustees, officers, employees, or agents (including any person who serves or has served on any committee, commission, council, task force or other body or agency of this Foundation other than the Board) who is not a Board member, or to any one or more of its former Board members, to the same extent to which an incumbent Board member is entitled to indemnification and advancement of expenses pursuant to Sections 10.01 through 10.04 above.

Section 10.06. Nothing in this Article X shall impair any right to indemnification or advancement of expenses that any person may otherwise have, in the absence of this Article X, under the North Carolina Nonprofit Corporation Act or other applicable law, or any exculpation or immunity to which any Board member or other representative of the Foundation is entitled under the Articles of Incorporation, the North Carolina Nonprofit Corporation Act or other applicable law.

## ARTICLE XI. RECORDS AND REPORTS

Section 11.01. The Foundation shall keep all records and submit and file all reports and filings as are required by applicable law and the Discipline. Unless the Board otherwise directs, the treasurer shall be responsible for keeping, or causing to be kept, all financial and accounting records of the Foundation and for submitting or filing, or causing to be submitted or filed, all reports and filings of a financial or accounting nature, and the secretary shall be responsible for keeping, or causing to be kept, all other records and for submitting or filing, or causing to be submitted or filed, all other reports and filings. For investment purposes, it shall not be necessary to segregate Restricted Funds and Unrestricted Funds within the Foundation or to segregate Funds that have been designated for a specific purpose based upon the identity of the Transferors thereof. However, the Board shall separately account for Restricted Funds and Unrestricted Funds and, further, shall separately account for Funds that have been designated for a specific purpose based upon the written intent of the Transferors thereof. Within forty-five (45) days after the end of the fiscal year of the Foundation, the treasurer shall prepare and distribute to the Board an annual report of receipts and disbursements. The treasurer shall also report to the Board as to the receipts, disbursements and other financial activities of the Foundation at the regular meetings of the Board.

Section 11.02. The Foundation shall keep as permanent records minutes of all meetings of its incorporators, Board, and any body exercising any of the powers and authority of a board of directors of a nonprofit corporation, and a record of all corporate actions taken by the Board or other such body without a meeting. The Foundation shall maintain appropriate accounting records. The Foundation or its agent shall maintain a record of its Board members, in a form that permits preparation of a list of the names and addresses of all the Board members. The Foundation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Section 11.03. The Foundation shall keep a copy of the following records at the Foundation's principal office: (a) its Articles of Incorporation and all amendments to them currently in effect; (b) its Bylaws or restated Bylaws and all amendments to them currently in effect; (c) resolutions adopted by its Board relating to the number or classification of members of the Board; (d) the minutes of all meetings of the Board and all actions taken by the Board without a meeting for the past five years; (e) all written communications to the Board generally within the past five years and the financial statements, if any, furnished to any member of the Board or required to be furnished to

any member of the Board under these Bylaws; and (f) a list of the names and business or home addresses of its current officers and Board members.

## ARTICLE XII. MISCELLANEOUS

Section 12.01. Amendment. Subject to the approval by the Charge Conference of MPUMC, these Bylaws may be amended by the affirmative vote of not less than two-thirds of members of the Board then in office at any meeting of the Board, provided that the notice of such meeting is given in writing at least five days prior to such meeting, states that the purpose or one of the purposes of such meeting is to consider a proposed amendment to these Bylaws, and contains or is accompanied by a copy or summary of the proposed amendment or states the general nature of the proposed amendment.

Section 12.02. Fiscal Year. The fiscal year of the Foundation shall end on December 31 of each year. Within one hundred twenty (120) days after the end of each fiscal year, the Foundation shall be examined and audited by an independent firm of certified public accountants selected by the Board. The treasurer shall be responsible for arranging for such annual audit and shall report the results thereof to the Board. Copies of such annual audit and any financial statements resulting therefrom shall be made available by the Board to MPUMC's Board of Trustees (and Members of the Administrative Board, upon such Member's reasonable request). All records of the Foundation shall be maintained separate and apart from all records of MPUMC.

Section 12.03. Expenses. All expenses incurred in the creation and operation of the Foundation shall be paid from certain Funds in the following order of priority: first, from the income of the Funds; second, from the Unrestricted Funds; and third, from the Restricted Fund Corpus.

Section 12.04. Dissemination of Information to Congregation. Information pertaining to the activities, investments, and distributions of the Foundation shall be disseminated through appropriate means to the members of the congregation of MPUMC from time to time, as the Board deems appropriate.

Section 12.05. Qualification Under Code. It is the intent of the Board and MPUMC to create, maintain, and operate the Foundation to the fullest extent necessary to enable the Foundation to qualify as a subordinate organization subject to a group exemption of the United Methodist Church under Section 501(c)(3) of the Code. No member of the Board



shall have any power to act in any manner which would result in the disqualification of the Foundation under Section 501(c)(3) of the Code, and the Foundation shall not carry on any other activities not permitted to be carried on by (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code, or the corresponding section of any future federal tax code.

Section 12.06. Distribution of Assets upon Dissolution. If, for any reason the Foundation shall be abandoned, discontinued, or cease to exist as a legal entity and its charter shall expire or be terminated, or in the event of any other termination, dissolution or winding up of the Foundation, the title to all its property both real and personal, after payment or provision for payment of all debts and obligations of the Foundation, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code to the Western North Carolina Annual Conference of The United Methodist Church, pursuant to the Discipline, or to another organization as otherwise permitted by the Discipline that is qualified under Section 501(c)(3) of the Code and to which said property may be transferred in such event by an organization that is so qualified under said Section 501(c)(3).

If the immediately preceding paragraph is unenforceable for any reason, then, upon dissolution of the Foundation, the Foundation's assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code or the corresponding provision 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. Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated for such purposes.

Section 12.07. Limitations. No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to members of its Board, officers, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Foundation, subject to the terms of these Bylaws. No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate

in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Section 12.08. Waiver of Notice. Whenever any notice is required to be given under the provisions of North Carolina's Nonprofit Corporation Act, the Foundation's Articles of Incorporation or Bylaws, 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 12.09. Gender. As used in these Bylaws, the masculine gender shall be deemed to include the feminine and the feminine the masculine.

These Bylaws are current and complete as of September 13, 2010.