

HENDERSON-VANCE DOWNTOWN DEVELOPMENT COMMISSION, INC. BY-LAWS

The name of the organization is HENDERSON-VANCE DOWNTOWN DEVELOPMENT COMMISSION, INC. (HVDDC). The organization shall have an office at City Hall, Henderson, NC and at such other places as shall be designated by the Board of Directors from time to time by resolution.

1. MEMBERS

A. The Corporation shall have no members.

B. The Board of Directors may take an action permitted or required to be taken by members of a non-profit tax-exempt Corporation under the laws of North Carolina, by the affirmative vote of a majority of the entire Board, without the necessity of any prior action by the Board which would otherwise have been required by law for such action if there were members entitled to vote on such actions.

2. BOARD OF DIRECTORS

A. The management of the Corporation shall be vested in the Board of Directors.

B. The Board of Directors shall consist of no less than twelve (12) and no more than seventeen (17) people chosen to represent one or more interests as set out in subsection (C) below, two (2) Directors to be appointed by the City Council and two (2) Directors to represent the local governing bodies, namely, the Mayor of Henderson and two (2) designees of the Vance County Board of Commissioners.

C. In selecting persons to serve as Directors of the Corporation, the Board shall choose persons who represent one or more of the following interest vital to downtown redevelopment: Downtown Merchant (Retail, Office and other Businesses) Downtown Property Owner, Lending Institutions, Developers, Realtors, Professionals (Accountants, Attorneys), Public Relations, Major Community Employers, Economic Development Commission, Historical Society, Appearance Commission, Henderson-Vance Chamber of Commerce, Educators & Downtown Residents.

D. Directors for terms about to expire shall be elected at the Annual Meeting to be held in July of each year or at special meetings called for that purpose except where the Board is filling vacancies for expired terms.

E. Directors may resign at any time by giving written notice to the Board.

F. Each Director will be entitled to one vote; the Mayor of the City of Henderson and the Chairman of the County Commissioners of Vance County shall each be entitled to name an official substitute to act in his or her place.

G. Under certain circumstances, regular voting members may participate telephonically in meetings, both regular and special as follows: i. Telephonic participation in a meeting is considered to be a privilege and is to be requested and used only in cases when Director must be out-of-town or is confined to home due to illness; and ii. No more than one Director may participate telephonically during any given meeting; and iii. A Director may participate telephonically as long as said Board member has called, in advance of the meeting of the meeting to request telephonic participation. Telephonic participation is on a first come, first serve basis; and iv. No more than one Director can participate telephonically during any given meeting; and v. No Director may utilize telephonic participation more than two (2) times during a rolling twelve (12) month period; and vi. A Director that participates at a meeting telephonically shall be considered present for the meeting.

H. Directors shall serve three (3) year terms. It is the intent of this provision that the Board shall have be

staggered terms and that no more than one-third of the membership shall be up for replacement or reappointment in any given year.

I. Directors shall hold office until a successor has been appointed and qualified.

J. Directors shall be eligible to succeed themselves.

K. Directors shall receive no compensation for their services as a Director, but the Board may by resolution authorize reasonable reimbursement of expenses incurred in the performance of their duties. Such authorization may prescribe the procedure for approval and payment of such expenses by designated Officers of the Corporation. Nothing herein shall preclude a Director from serving the Corporation in any other capacity and receiving compensation for such services.

L. Directors absent three (3) or more regular consecutive meetings in any calendar year shall be automatically removed. A Director may also be removed upon the recommendation of two-thirds (2/3) of the Board of Directors when the Board determines that the removal is in the best interest of the Corporation.

M. The Executive Director of the Henderson-Vance Chamber of Commerce and the Executive Director of the Henderson-Vance Economic Development Commission are each authorized to serve as a representative to the Corporation. Representatives shall have the privilege of participating in Board discussions and other actions consistent with the status of an "ex officio" to the Corporation, including voting privileges.

3. MEETINGS

A. The Henderson-Vance Downtown Development Commission (HVDDC) will hold a regular meeting at a time set by the Board at the initial meeting each year at a place to be designated by the Board.

B. The regular meeting of the Board of Directors shall be held on the second Thursday of each month.

C. The Chairman, any two (2) Officers or a majority of the Directors may call special meetings provided at least three (3) days' notice is given to members.

D. No notice shall be required for regular meetings of the Corporation. Notice of the time and place of a special Board meeting shall be delivered not less than five (5) days prior to the meeting.

E. The presence of the simple majority of the Board of Directors shall constitute a quorum for the transaction of business. Once a quorum is present to organize a meeting, the subsequent withdrawal of any Director(s) shall not break the quorum. The acts of the majority of the Directors who are present subsequent to a quorum being determined to exist for the purpose of undertaking business shall constitute an act of the Board unless a greater number is required for action by these By-laws or law.

F. Except as otherwise provided for in these Bylaws or as required by law, any meeting shall be conducted pursuant to Robert's Rules of Order.

4. COMMITTEES

A. Upon recommendation of the Chairman of the Board, the Board may appoint Committees and delegate broad responsibilities to such Committees to conduct business as the Board may specify and see fit, except that no Committee shall have authority to matters prohibited to Committees by North Carolina General States 55A-23 or other law, and further provided that all Committee actions shall be subject to ratification or approval by the Board of Directors. At least one member of any Committee shall be a Director of the Corporation.

B. Committees may act pursuant to informal meetings called by verbal notice given by the Chairman or his designee. Actions shall be by majority vote of the members of the committee. The Chairman of the Committee shall be selected by the Chairman of the Board of Directors. The Committee Chairman shall

be responsible for providing the Directors with a written account of any actions taken by the Committee.

C. Nothing shall preclude any Committee or the Board of Directors from conducting business in accord with informal action permitted pursuant to North Carolina General Statute 55A-24.1.

D. The Chairman of the Board of Directors shall be an ex-officio member of all Committees.

5. OFFICERS

A. The Officers of the Corporation shall consist of a Chairman, a Vice-Chairman, a Secretary, and a Treasurer. |

B. The Officers shall be elected at the organization meeting of the Board of Directors and thereafter at the annual meeting of the Board by the Board of Directors from among their number. Only Directors shall be allowed to serve as Officers. In the event that an Officer shall cease to hold the position of Director of the Corporation, his position as Officer shall also become vacant.

C. In the event of a vacancy, the Board of Directors shall elect a Director to fill the vacancy.

D. The Chairman shall preside at all meetings of the Board of Directors. The Chairman shall have and exercise general charge and supervision of the affairs of the Corporation, and shall do and perform such other duties and have such powers as may be assigned to him by the Board.

E. The Vice-Chairman shall preside at any meeting of the Board at which the Chairman is unable to attend. In the event that the position of Chairman shall become permanently vacant at any time, the Vice-Chairman shall immediately assume all powers of the Chairman.

F. The Secretary shall have charge of the books, documents and papers of the Board and shall have custody of the corporate seal. The Secretary shall attend and keep the minutes of all meetings of the Board and maintain a current record of all persons who are Directors of the Corporation, showing their address, and such book shall be open for inspection as prescribed by law. The Secretary may sign with the Chairman, in the name and behalf of the Corporation, any contracts or agreements authorized by the Board, and when so authorized or ordered by the Board, may affix the seal of the Corporation. The Secretary shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board, and shall do and perform such other duties as may be assigned by the Board.

G. The Treasurer and/or Chairman shall have custody of all funds, property and securities of the Corporation, subject to such regulations as may be imposed by the Board of Directors. The Treasurer and/or Chairman may endorse on behalf of the Corporation for collection checks, notes and other obligations and shall deposit the same to the credit of the Corporation at such bank or banks as depository as the Board may designate by resolution. The Treasurer and/or Chairman shall sign all receipts and vouchers, and, together with such officers, if any, as shall be designated by the Board, the Treasurer and/or Chairman shall sign all checks of the Corporation and all bills of exchange and promissory notes issued by the Corporation, except in cases where the signing and execution thereof shall be expressly designated by the Board or by these Bylaws to some other officer or agent of the Corporation. The Treasurer and/or Chairman may make payments as necessary on behalf of the Corporation. The Treasurer shall maintain full and accurate books of accounts reflecting the transactions, assets, and obligations of the Corporation and shall exhibit such books at all reasonable times to any Director on application at the offices of the Corporation. The Treasurer shall prepare or cause to be prepared an annual unaudited financial report of the Corporation within thirty (30) days after the end of each fiscal year. All Corporation records shall be available for review by the City of Henderson or an independent auditor.

6. FISCAL YEAR Unless otherwise fixed by the Board of Directors, the fiscal year of the Corporation shall begin on July 1 and end on June 30 of each year.

7. PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS No Director, Officer or employee or member of a committee of the Corporation, or any other private shareholder or individual (within the meaning of Section 501 of the Internal Revenue Code or its successor provisions), shall receive at any time of the net earnings from the activities of the Corporation, provided, however, that this shall not prevent the payment to any person of responsible compensation as shall be fixed by the Board of Directors for services rendered to or for the Corporation in effecting any of its purpose; and no such person shall be entitled to share in the distribution of any corporate assets upon the dissolution of the Corporation. All Directors of the Corporation shall be deemed to have expressly consented and agreed that upon dissolution or similar winding-up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation then remaining in the hands of the Board, after satisfaction of the Corporation's liabilities, shall be transferred, conveyed, delivered, and paid over as provided in the Articles of Incorporation.

8. AMENDMENTS These Bylaws may be altered, amended or repealed by a majority of a two-thirds majority of the members of the Board present at any regular meeting or special polling.

9. ADOPTION These Bylaws shall become the Bylaws of the Corporation upon approval by the Board of Directors