

A/O November 10, 2010

**BYLAWS  
OF  
BOOKMARKS**

ARTICLE I

Offices

1. Name. The name of this organization is **BOOKMARKS, INC.**
2. Principal Office. The principal mailing address of the corporation shall be P.O. Box 11867, Winston-Salem, NC 27116 or at such other place as the Board of Directors may determine.
3. Other Offices. The corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may from time to time determine, or as the affairs of the corporation may require.

ARTICLE II

Purposes

The objects and purposes for which the corporation is formed are set forth in the Articles of Incorporation as filed with the Secretary of State of North Carolina.

ARTICLE III

Directors

1. General Powers. The affairs of the corporation shall be managed by the Board of Directors or, to the extent provided by the Board of Directors, by such Executive Committee as the Board may establish pursuant to these bylaws.
2. Number and Qualification. The number of directors of the corporation shall be not fewer than seven (7) and, not more than eighteen (18) directors, as may be fixed or changed from time to time, within the minimum and maximum, by the Board of Directors.

3. Election of Directors. Except as provided in Section 5 of this Article, the elected directors shall be elected at the annual meeting of the Board of Directors or at other meetings of the board of directors at which there is a quorum present; and those persons who receive a majority of the votes cast shall be deemed to have been elected.

4. Term.

- a. Except as provided in subsection b. of this section, each director shall serve for three years and until a successor is elected. Directors may serve one additional consecutive term not including years served filling the unfulfilled term of another. Directors need not be residents of the State of North Carolina.
- b. The Board of Directors, in electing directors to serve terms (commencing May 2010) shall designate three persons for three-year terms, three persons for two- Year terms and three persons for one-year terms; and the term of office of all such elected or appointed directors (excluding the Founder Emeritus who shall serve with voting rights permanently) shall be three-years

5. Vacancies. A vacancy occurring among the elected directors may be filled by a majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office and ~~then~~ thereafter may be elected to consecutive regular terms.

6. Compensation. Directors shall not be compensated for their services as such, but the Board of Directors may provide for the payment of all expenses incurred by directors in connection with the performance of their duties.

## ARTICLE IV

### Meetings of Directors

1. Annual Meetings. The annual meeting of the Board of Directors may be held at a location determined by the Board of Directors on the second Wednesday in November 2011 if not a legal holiday, but if a legal holiday, then on the next day following that is not a legal holiday, for the purpose of electing officers and directors of the corporation and for the transaction of such other business as may be properly brought before the meeting. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings. The Directors must meet at least four times in each fiscal year.

2. Regular Meetings. The Board of Directors shall hold not fewer than four regular meetings during a fiscal year.

3. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors.

4. Notice of Meetings. A notice specifying the time and place of any meeting of the Board shall be given by fax, email or other written method not less than seven days prior to the meeting.

A copy of the agenda shall be provided for each meeting. Any item not on the agenda shall not be considered without approval of the voting members of the Board present at such meeting.

5. Waiver of Notice. Any director may in writing waive notice of any directors' meeting held without proper call or notice, either before or after the meeting is held.

Attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the purpose of objection to the transaction of any business because the meeting is not lawfully called.

Failure of a director who did not attend a meeting held without proper call or notice to file with the Secretary of the corporation their written objection to the holding of the meeting or to any specific action so taken promptly after having knowledge of the action taken and of the insufficiency of notice shall constitute ratification of the action taken at the meeting.

6. Quorum. The number of directors in office that are present at any meeting of the Board of Directors, but which must be a minimum of seven directors, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

7. Manner of Acting. Unless the North Carolina Nonprofit Corporation Act, the articles of incorporation of the corporation or these bylaws require the vote of a greater number of directors, the affirmative vote of a majority of the directors present at a meeting at which a quorum is present or the affirmative vote of a majority of the directors voting by proxy, e-mail or by other electronic medium, shall be the act of the Board of Directors as a whole.

Approval of a transaction in which one or more directors have an adverse interest shall require a majority, not less than two, of the disinterested directors present, even though less than a quorum. Vacancies among the elected directors may be filled as provided in Article III, Section 4 of these bylaws.

8. Informal Action by Directors and Attendance by Telephone. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar device which allows all

persons participating in the meeting to hear and speak with each other, and such participation in a meeting shall be deemed presence in person at such meeting.

## ARTICLE V

### Board of Advisors

1. Establishment. A Board of Advisors (sometimes referred to as the “Ex Officio Board of Directors”) which shall function in an advisory capacity to the Board of Directors and to the President is hereby established.

2. Function. The Board of Advisors shall make recommendations concerning the corporation and its programs. The Board of Advisors shall make recommendations concerning the furtherance of the corporation’s purposes, guidelines, ethics, and such other policy matters as may be assigned by the Board of Directors. The Board of Advisors shall also serve as a fund raising advisory committee for the purpose of identifying and liaison to potential sponsors, grantors and donors.

3. Appointment. Members of the Board of Advisors shall be appointed by the President with the advice and consent of the Board of Directors.

4. Term of Service. Members of the Board of Advisors shall serve at the pleasure of the Board of Directors and may resign at any time.

5. Compensation. Members of the Board of Advisors may receive such compensation, if any, for their services, and such reimbursement for their expenses, as may be fixed or determined by the Board of Directors.

6. Status. Neither the Board of Advisors nor individual members of the Board of Advisors shall, as such, have authority to exercise corporate powers or the power to vote as directors. The decisions and actions of the Board of Advisors shall be advisory only, shall be submitted directly to the President, and the President, with the advice and consent of the Board of Directors, may accept or reject, in whole or in part, the actions, recommendations, and advice of the Board of Advisors and the members thereof.

7. Subcommittees. The Board of Directors may create standing or special subcommittees of the Board of Advisors to serve as investigative and advisory adjuncts to the Board of Advisors. The chairman and members of each standing and special subcommittee shall be selected and may be removed by majority vote of the Board of Directors. Each chairman of a subcommittee shall report regularly to the President. The constituency, tenure, term, membership, and expenditures of each such subcommittee shall be determined by the Board of Directors.

## ARTICLE VI

### Officers

1. Number. The officers of the corporation shall consist of a President, a Vice President, a Secretary, a Treasurer and such other officers as the Board of Directors may from time to time elect.
2. Election and Term. The officers of the corporation shall be elected by the Board of Directors. Such election shall be held at the annual meeting of the Board. Each officer shall hold office one year and until his or her successor is elected and qualified. The President, Vice President, Secretary and Treasurer may be elected to serve two additional consecutive future terms in the same position.
3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause; but said removal shall be without prejudice to the contract rights, if any, of the person so removed. Failure to attend three or more meetings without notice or excuse shall be just cause for removal.
4. Compensation. The compensation, if any, of all officers of the corporation shall be fixed by the Board of Directors.
5. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation according to these bylaws. The President shall preside at meetings of the directors and, in general, shall perform all duties as may be prescribed by the Board of Directors from time to time.
6. Vice President. The Vice President, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of President. In addition, the Vice President shall perform such other duties and shall have such other powers as the Board of Directors shall prescribe.
7. Secretary. The Secretary shall keep as permanent records (1) minutes of all meetings of the corporation's Board of Directors; (2) a record of all actions taken by the directors without a meeting, and (3) a record of all actions taken by committees of the Board of Directors in place of the Board of Directors on behalf of the corporation. The Secretary shall give all notices required by law and by these bylaws. The Secretary shall have general charge of the corporate records and books and of the corporate seal, and he or she shall affix the corporate seal to any lawfully executed instruments requiring it. The Secretary shall sign such instruments as may require his or her signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned from time to time by the President or by the Board of Directors.

8. Treasurer. The Treasurer shall at each regular meeting report all income and expenses and balances then on hand. At each annual meeting, the Treasurer shall submit an income and expense statement along with a statement of receipts and expenditures. The Treasurer shall, in general, perform all duties incident to the office and such other duties as may be assigned from time to time by the President or by the Board of Directors.

9. Bonds. The Board of Directors may by resolution require any or all officers, agents and employees of the corporation to give bond to the corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

## ARTICLE VII

### Committees

1. Special or Standing Committees. Except as limited by Section 6 of this Article VII, the Board of Directors may, by resolution create one or more standing or special committees for any purpose and delegate to such committees any of the powers and authorities of the Board of Directors. Each such committee shall consist of one or more directors and may have non-directors membership – except that the Executive Committee, shall consist of the officers. Such committees shall at all times be subject to the control of the Board of Directors. The chairman and members of each standing and any special committee shall be selected and may be removed by a majority vote of the Board of Directors. Each chairman shall report regularly to the Board of Directors. The President shall be an ex-officio member of all committees.

- a. Executive Committee – There shall be an Executive Committee chaired by the Board President. The Executive Committee shall have the power to transact all regular and such special items of business of the Corporation as the Board of Directors may authorize during the interim between Board meetings, provided any such action does not conflict with the Bylaws, policies and expressed wishes of the Board of Directors. Minutes and attendance of meetings shall be prepared and furnished to each Board member at or prior to the next regularly scheduled or special meeting of the Board.
- b. The **BOOKMARKS** Community Volunteer Planning Committee (the “Planning Committee) – There shall be a Planning Committee that shall consist of one or more directors and non-director membership for the purpose of planning and executing the Annual Book festival.

- c. The Nominating Committee- A Nominating Committee shall be appointed as needed by the President of the Board and shall consist of not less than three members of the Board. The President shall not serve as a member of the Nominating Committee. The Nominating Committee shall be responsible for presenting a slate of nominees to the Board at an annual meeting. The slate of nominees shall contain at least one nominee for each of the offices of President, Vice President, Secretary and Treasurer.

2. Term of Office. The chairman and each member of each standing committee shall serve until his or her successor is appointed or until such committee is sooner terminated, or until such person is removed, resigns, or otherwise ceases to qualify as a chairman or a member, as the case may be, of the committee. Chairmen and members of special committees shall serve for the life of the committee unless they are sooner removed, resign, or cease to qualify as a chairman or member, as the case may be, of such committee.

3. Vacancies. Vacancies on any committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

4. Meetings: Quorum. Each committee shall meet as often as necessary to perform its duties at such times and places as directed by its chairman, the President, or by the Board of Directors. A majority of the members of the committee present at a meeting shall constitute a quorum of such committee, and the act of a quorum shall be the act of the committee. Voting shall be consistent with the process as set forth in Article IV Section 6. Each committee shall keep accurate minutes of its meetings, the chairman designating a secretary of the committee for this purpose, and shall make periodic reports and recommendations to the Board of Directors.

5. Expenditures. Any expenditure of corporation funds by a committee shall require prior approval of the Board of Directors.

6. Limitations of Delegation. In accordance with Section 55A-8-25(e) of the North Carolina Nonprofit Corporation Act, the Board of Directors may not delegate to any committee the following powers:

- a. To authorize distributions;
- b. To approve dissolution, merger or the sale, pledge, or transfer of all or substantially all of the corporation's assets;
- c. To elect, appoint or remove directors, or fill vacancies on the Board of Directors or on any committees of the Board of Directors; and
- d. To adopt, amend or repeal the articles of incorporation or bylaws of the corporation.

## ARTICLE VIII

### Indemnification of Directors, Officers and Others

1. Definitions. For purposes of this Article VIII, the following definitions shall

- a. “Act” means the North Carolina Nonprofit Corporation Act, effective July 1, 1994, and all amendments and additions thereto.
- b. “Corporation” means the corporation as such term is defined in Section 55A-8-50(b) (1) of the Act.
- c. “Director” means an individual who is or was a director of the corporation or an individual who, while a director of the corporation, is or was serving at the corporation’s request as a director, officer, manager, partner, trustee, employee or agent of another foreign or domestic corporation (whether a business or nonprofit corporation), limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise. A Director is considered to be serving an employee benefit plan at the corporation’s request if such Director’s duties to the corporation also impose duties on, or otherwise involve services by, the Director to the plan or to participants in or beneficiaries of the plan. “Director” includes, unless the context requires otherwise, the estate or personal representative of a Director.
- d. “Expenses” means expenses of every kind incurred in defending a Proceeding, including, but not limited to, legal, accounting, expert and investigatory fees and expenses.
- e. “Indemnified Officer” shall mean each officer of the corporation who is also a Director of the corporation and each other officer of the corporation who is designated by the Board of Directors from time to time as an Indemnified Officer. An Indemnified Officer shall be entitled to indemnification hereunder to the same extent as a Director, including, without limitation, indemnification with respect to service by the Indemnified Officer at the corporation’s request as a director, *officer*, manager, partner, trustee, employee or agent of another foreign or domestic corporation (whether a business or nonprofit corporation), limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise. “Indemnified Officer” includes, unless the context requires otherwise, the estate or personal representative of an Indemnified Officer.
- f. “Liabilities” means any obligation to pay any or all of the following: a judgment, a settlement, a penalty, a fine (including an excise tax assessed with respect to an employee benefit plan) and reasonable

expenses, including, but not limited to, attorneys' fees of opposing parties incurred with respect to a Proceeding.

- g. "Proceeding" means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, whether formal or informal, and any appeal therein (and any inquiry or investigation that could lead to such a proceeding).

2. Statement of Intent. The corporation shall indemnify the Directors and the Indemnified Officers to the maximum extent permitted by the Act.

3. Indemnification. In addition to, and not in any way in limitation of, all indemnification rights and obligations otherwise provided by law, the corporation shall indemnify and hold harmless its Directors and Indemnified Officers against all Liabilities and Expenses in any Proceeding (including, without limitation, a Proceeding brought by or on behalf of the corporation itself) arising out of their status as Directors or officers, or their service at the corporation's request as a director, officer, manager, partner, trustee, employee or agent of another foreign or domestic corporation (whether a business or nonprofit corporation), limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, or their activities in any such capacity; provided, however, that the corporation shall not indemnify a Director or an Indemnified Officer against Liabilities or Expenses that such person may incur on account of activities of such person which at the time taken were known or believed by him or her to be clearly in conflict with the best interests of the corporation. The corporation shall also indemnify each Director and Indemnified Officer for his or her reasonable costs, expenses and attorneys' fees incurred in connection with the enforcement of the rights to indemnification granted herein, if it is determined in accordance with Article VIII, Section 4 of these bylaws that the Director or Indemnified Officer is entitled to indemnification hereunder.

The Board of Directors shall have the authority to adopt such resolutions pertaining to the implementation of this Article VIII, Section 3 as it may from time to time determine, and such resolutions shall be given full effect, even though they supplement, amplify or go beyond the provisions of this Article VIII, Section 3, provided and to the extent such resolution does not violate any provision of the Act or the Articles of Incorporation. This Article VIII, Section 3 shall be construed in a manner to fully effect the purpose and intent of the resolution of the Board of Directors approving and adopting this provision.

4. Determination. Any indemnification under Article VIII, Section 3 shall be paid by the corporation in a specific case only after a determination that the Director or Indemnified Officer has met the standard of conduct set forth in Article VIII, Section 3 of these bylaws. Such determination shall be made:

- a. by the Board of Directors by a majority vote of a quorum consisting of the members thereof not at the time parties to the Proceeding;

- b. if a quorum cannot be obtained under Article VIII, Section 3, by a majority vote of a committee duly designated by the Board of Directors (in which designation members thereof who are parties to the Proceeding may participate), consisting solely of two or more members of the Board of Directors not at the time parties to the Proceeding;
- c. by special legal counsel (i) selected by the Board of Directors or a committee thereof in the manner prescribed in Article VIII, Section 4(a) or 4(b); or (ii) if a quorum of the Board of Directors cannot be obtained under Article VIII, Section 4(a) and a committee cannot be designated under Article VIII Section 4(b), selected by a majority vote of the full Board of Directors (in which selection members thereof who are parties in the Proceeding may participate); or
- d. by the members of the corporation, but Directors who are at the time parties to the Proceeding shall not vote on the determination.

The Board of Directors shall take all such action as may be necessary and appropriate to enable the corporation to pay the indemnification required by this Article VIII.

5. Advances for Expenses. The Expenses incurred by a Director or an Indemnified Officer in defending a Proceeding may be paid by the corporation in advance of the final disposition of such Proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director or Indemnified Officer to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the corporation against such Expenses. Subject to receipt of such undertaking, the corporation shall make reasonable periodic advances for Expenses pursuant to this Article VIII, Section 5, unless the Board of Directors shall determine, in the manner provided in Article VIII, Section 4 of these bylaws and based on the facts then known, that indemnification under this Article VIII is or will be precluded.

6. Reliance and Consideration. Any Director or Indemnified Officer who at any time after the adoption of this Article VIII serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right, however, shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this Article VIII. No amendment, modification or repeal of this Article VIII shall adversely affect the right of any Director or Indemnified Officer to indemnification hereunder with respect to any activities occurring prior to the time of such amendment, modification or repeal.

7. Insurance. The corporation may purchase and maintain insurance on behalf of its Directors, officers, employees and agents and those persons who were or are serving at the request of the corporation in any capacity with another corporation (whether a business or nonprofit corporation), limited liability company, partnership,

joint venture, trust, employee benefit plan or other enterprise against any liability asserted against or incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article VIII or otherwise. Any full or partial payment made by an insurance company under any insurance policy covering any Director, officer, employee, agent or other person identified above made to or on behalf of a person entitled to indemnification under this Article VIII shall relieve the corporation of its liability for indemnification provided for in this Article VIII or otherwise to the extent of such payment, and no insurer shall have a right of subrogation against the corporation with respect to such payment.

8. Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court or agency of competent jurisdiction, then the corporation shall nevertheless indemnify each person indemnified hereunder to the fullest extent permitted by the portion of this Article VIII that is not invalidated and also to the fullest extent permitted or required by the applicable law.

## ARTICLE IX

### General Provisions

1. Management of Corporate Funds. No funds received by donation, bequest or any other means shall be diverted from the use to which they may be assigned by the donor, testator or testatrix, unless said use is contrary to or in conflict with the purposes of the corporation, and no funds shall be used for any purpose other than to effect the purposes of the corporation.

2. Records. The corporation shall keep a copy of the following records at the principal office of the corporation:

- a. Its articles of incorporation or restated 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 the Board of Directors relating to the number or classification of directors;
- d. A list of the names and business or home addresses of its current directors and officers.

3. Exempt Activities. Notwithstanding any other provision of these bylaws, no member, director, officer, employee or 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 from federal income taxation pursuant to Section 501(e)(3) of the Internal Revenue Code and its

Regulations as they now exist, or as they may hereafter be amended, or by an organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

4. Financial Year. The financial year of the corporation shall be the calendar year.

5. Conflicts of Interest. Directors of the Corporation shall exercise the utmost good faith in all transactions touching upon their duties to the Corporation and its property. In their dealings with and on behalf of the Corporation, they are held to a strict rule of honesty and fair dealing between themselves and the Corporation and shall adhere to the adopted Conflict of Interest Policy. They shall not use their positions as directors, or knowledge gained therefrom, so that a conflict might arise between the Corporation's interest and that of any individual director or that they experience any personal or professional gain.

6. Confidentiality. All e-mail addresses, mailing addresses and phone numbers are confidential and shall not be sold, shared, distributed or disseminated to any non-member of **BOOKMARKS, Inc.**

## ARTICLE X

### MEMBERSHIP

1. No Statutory Members. As permitted by § 55A-6-01 of the North Carolina Nonprofit Corporation Act (the "Act"), and as stated in the Articles of Incorporation of the Corporation, the Corporation shall have no members with rights and obligations as contemplated by § 55A-6-20 of the Act.

2. Promotional Members. Notwithstanding the foregoing, the Corporation may establish one or more categories or levels of promotional memberships in order to encourage or recognize persons who provide financial, advisory or other support to the corporation, and may refer to such persons as "members". In such an event, each category or level of such membership, and the attendant benefits thereof, shall be determined from time to time in the discretion of the Board of Directors. In no event shall any promotional members have any designations, qualifications, rights or obligations deriving from or owing to the Corporation pursuant to §55A-6-20 or any other provisions of the Act. Without limiting the foregoing, promotional members shall have no voting or ownership rights with respect to the Corporation or the property of the Corporation, or any other right to participate in the governance or operations of the Corporation."

ARTICLE XI  
AMENDMENT OF BYLAWS

These bylaws may be amended or repealed and new bylaws may be adopted at any regular or special meeting of the Board by the affirmative vote of a majority of the directors then holding office, provided that the substance of the proposed amendment is filed with the secretary not less than ten days prior to the meeting at which the amendment is to be voted upon. The secretary shall provide a copy of the proposed amendment to the Board seven days prior to the meeting at which the amendment shall be presented.

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I, \_\_\_\_\_, the duly elected, qualified and acting Secretary of **BOOKMARKS**, do hereby certify that the foregoing are the Bylaws of **BOOKMARKS** adopted by the Board of Directors by action duly taken as of May 12, 2010 and amended on November 12, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the corporation this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

(CORPORATE SEAL)

\_\_\_\_\_  
\_\_\_\_\_, Secretary