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AMENDED AND RESTATED  
BYLAWS  
OF  
SPEEDWAY CHILDREN'S CHARITIES

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As of April 6, 2016

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**ARTICLE I  
OFFICES**

Section 1. Principal Office. The principal office of the Corporation shall be located at Smith Tower, 5555 Concord Parkway South, Concord, North Carolina 28027, or at such other place as the Board of Directors shall determine.

Section 2. Registered Office. The registered office of the Corporation required by law to be maintained in the State of North Carolina initially shall be located at Smith Tower, 5555 Concord Parkway South, Concord, North Carolina 28027. The registered agent is named in the Corporation's Articles of Incorporation. The registered office and the registered agent may be changed at any time by the Corporation's National Executive Director or National Managing Director.

Section 3. Other Offices. The Corporation may, from time to time, have offices at such places, either within or without the State of North Carolina, as the Board of Directors may designate or as the business of the Corporation may require.

**ARTICLE II  
BOARD OF DIRECTORS**

Section 1. General Powers. Except as otherwise provided in the Articles of Incorporation or herein, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, the National Board of Directors (the "National Board").

Section 2. Number and Qualifications. The total number of Directors of the Corporation (not taking into account Honorary Members) shall be not less than one (1) nor more than twenty (20), and except as otherwise provided herein, shall be determined from time to time by the National Board. Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Directors need not be residents of the State of North Carolina.

Except as otherwise provided herein, any Director may be removed at any time by an action of the National Board taken in accordance with Section 6 of Article III.

The Speedway Motorsports, Inc. senior vice president of business affairs and general managers of each of the speedways owned by SMI shall serve on the National

Board as *ex-officio* Directors. Directors serving in an *ex-officio* capacity may be removed only by the Chairman.

Section 3. Term of Office. The terms of office of the Directors (other than Directors serving in an *ex-officio* capacity and other than O. Bruton Smith and Marcus G. Smith) serving as of the date on which these Bylaws are adopted shall be limited such that there are three (3) Directors serving for a term of one (1) year, three (3) Directors serving for a term of two (2) years, and three (3) Directors serving for a term of three (3) years. The following Directors (other than Directors serving in an *ex-officio* capacity and other than O. Bruton Smith and Marcus G. Smith) serving as of the date on which these Amended and Restated Bylaws are adopted shall serve the following terms:

<u>Director</u>	<u>Term</u>
Sam Bass	Honorary
Mel Larson	Honorary
Scott Brown	1
Kim Hanson	1
Conrad Clements	2
Marcy Smothers	2
Jeff Hammond	3
Tyler Schropp	3

Except for the Directors listed above whose terms are less than three (3) years, the term for a Director (other than Directors serving in an *ex-officio* capacity and other than O. Bruton Smith and Marcus G. Smith) shall be three (3) years. O. Bruton Smith, Marcus G. Smith and each Director serving in an *ex-officio* capacity shall not have term limits as Directors. The foregoing staggered terms of office shall be effective as of the first annual meeting following the adoption of these Bylaws, or if these Bylaws are adopted at an annual meeting, such terms of office shall be effective as of the date of such annual meeting. The position of any Director whose term has expired or whose position is otherwise vacant shall thereafter be elected at the annual meeting of the Directors, with the nominees receiving the largest number of votes being elected. Each Director other than any Director who is occupying a Director position that is being filled by the vote shall have one vote for each Director position being filled. Cumulative voting (i.e., voting more than one (1) time for any Director) is not permitted under any circumstance.

Any Director whose term has expired may be re-elected to subsequent terms but shall abstain from the vote for his or her own election.

Section 4. Vacancies and Tenure of Additional Directors. A Director may resign at any time by communicating the Director's resignation to the Corporation in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. Any vacancy occurring on the National Board (other than a vacancy for a Director serving in an *ex-officio* capacity) may be filled by an action of the National Board taken in accordance with Section 6 of Article III, or by the sole remaining Director.

Section 5. Compensation. Directors shall serve without compensation, but may be reimbursed for expenses actually and reasonably incurred on behalf of the Corporation.

Section 6. Chairman of the National Board. The initial Chairman of the National Board is O. Bruton Smith ("Initial Chairman"). The Initial Chairman shall serve as Chairman of the National Board until his death or resignation. Upon his death or resignation, the Initial Vice Chairman (defined below) of the National Board shall become the Chairman of the National Board. In the event the Initial Vice Chairman of the National Board is not serving in such position at the time of the Initial Chairman of the National Board's death or resignation, then a successor Chairman of the Board shall be elected by an action of the National Board in accordance with Section 6 of Article III. The National Board may remove any Chairman of the National Board other than the Initial Chairman and the Initial Vice Chairman when he is serving as the Chairman, at any time with or without cause in an action taken in accordance with Section 6 of Article III.

The Chairman shall preside at all meetings of the National Board. Notwithstanding Section 1 of Article IV, the Chairman and Vice Chairman shall serve as a member of the Executive Committee at all times.

Section 7. Vice Chairman of the National Board. The initial Vice Chairman of the National Board is Marcus G. Smith (the "Initial Vice Chairman"). The Initial Vice Chairman shall serve as Vice Chairman of the National Board until his death, resignation or succession as Chairman. The Vice Chairman shall have such powers and shall perform such duties as may be assigned by the Chairman. In the absence or disability of the Chairman, the Vice Chairman shall perform the duties of the Chairman. The Vice Chairman shall also otherwise perform all duties incident to the office of Vice Chairman and as outlined in the position description approved by the Board. The National Board may remove any Vice Chairman of the National Board, other than the Initial Vice Chairman, at any time with or without cause in an action taken in accordance with Section 6 of Article III. If the Initial Vice Chairman ceases to serve as the Vice Chairman, then the National Board may designate a Vice Chairman of the National Board at any time by an action taken in accordance with Section 6 of Article III.

Section 8. Honorary Members. The National Board may designate an unlimited number of individuals as non-voting honorary members of the National Board

(each an “Honorary Member”). An Honorary Member is permitted, but not required, to attend Meetings of Directors as described in Article III, herein. No Honorary Member shall be personally liable to the corporation or its members for monetary damages for breach of fiduciary duty as an Honorary Member or for any act or omission occurring after the effective date of these bylaws.

### **ARTICLE III MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. An annual regular meeting of the National Board shall be held at the time and place, either within or without the State of North Carolina, determined by the Chairman or the Vice Chairman. The National Executive Director or the National Managing Director shall notify the Directors of the time and place of each regular meeting not less than ten (10) days before the date of such meeting.

Section 2. Special Meetings. Special meetings of the National Board may be called by the Chairman of the National Board, the Vice Chairman, the National Executive Director or any two Directors. The person or persons authorized to call special meetings of the National Board may fix any place, either within or without the State of North Carolina, as the place for holding any special meeting of the National Board called by them.

Section 3. Notice. The person calling the meeting shall give or cause to be given oral or written notice of special meetings of the National Board to each Director not less than ten (10) days before the date of the meeting.

Neither the business transacted at, nor the purposes of, any regular or special meeting of the National Board need be specified in the notice or waiver of notice of such meeting unless required by law.

Section 4. Waiver of Notice. A Director may waive any notice required by law, the Articles of Incorporation, or these Bylaws before or after the date and time stated in the notice. Except as provided in the following paragraph, the waiver must be in writing, signed by the Director entitled to the notice, and delivered to the Corporation for filing with the minutes or corporate records.

A Director’s attendance at or participation in a meeting waives any required notice to him of the meeting unless the Director at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 5. Quorum. A quorum of the National Board shall be considered present if a majority of the members of the National Board are present. In determining whether a quorum is present, an absent member of the National Board shall be considered present if a present member holds a written appointment form appointing the present member to vote or otherwise act on behalf of the absent member with respect to any matter that comes before the National Board at such meeting.



Section 6. Manner of Acting. With respect to any matter which the National Board has the authority to act upon, if a quorum is present when a vote is taken, the affirmative act of a majority of the Directors present, is the act of the National Board except as otherwise provided by law or in these Bylaws.

Section 7. Presumption of Assent. A Director who is present at a meeting of the National Board or a committee of the National Board when corporate action is taken is deemed to have assented to the action taken unless:

- (a) He objects at the beginning of the meeting (or promptly upon his arrival) to holding it or transacting business at the meeting;
- (b) His dissent or abstention from the action taken is entered in the minutes of the meeting; or
- (c) He files written notice of his dissent or abstention with the presiding officer of the meeting before its adjournment or with the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

Section 8. Action by Directors Without Meeting. Action required or permitted by law to be taken at a National Board meeting may be taken without a meeting if the action is taken by all members of the National Board. The action must be evidenced by one or more written consents signed by each Director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last Director signs the consent, unless the consent specifies a different effective date. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document.

Section 9. Meetings by Conference Telephone. Any one or more Directors may participate in a regular or special meeting of the National Board or a committee by means of a conference telephone or similar communications device by which all Directors participating may simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed present in person at such meeting.

#### **ARTICLE IV COMMITTEES OF THE NATIONAL BOARD**

Section 1. Executive Committee. The Corporation shall have an Executive Committee of the Board of Directors. The Executive Committee shall oversee the finances and operations of the Corporation and, to the extent provided in a resolution of the National Board, the Chairman or the Vice Chairman, shall have and may exercise all of any portion of the authority of the National Board to the extent permitted by applicable law. The Executive Committee shall meet at least two (2) times per year. The National Executive Director shall report to the Executive Committee. Notwithstanding any provision to the contrary, the Chairman of the National Board shall serve as a member

of the Executive Committee at all times. The Directors serving in an *ex-officio* shall serve on the Executive Committee at all times unless the Chairman or the Vice Chairman determine otherwise. Each of the Chairman and the Vice Chairman may appoint other Directors to serve on the Executive Committee at any time, and each of the Chairman and the Vice Chairman may remove any Director appointed by him from the Executive Committee at any time.

In addition to any other duties prescribed by the National Board, the Chairman or the Vice Chairman, the Executive Committee shall oversee the investments of the Corporation, report to the National Board on the status of these investments at least annually, take all actions on behalf of the National Board as permitted by applicable law, and report to the National Board on all actions taken by the Executive Committee no later than at the next meeting of the National Board following such action.

Section 2. Other Committees. The National Board may create one or more other committees and appoint members of the National Board to serve on them. Each committee must have two or more members, who serve at the pleasure of the National Board. The creation of a committee and appointment of members to it must be approved in an action taken in accordance with Section 6 of Article III.

Section 3. Vacancy. Any vacancy occurring in any committee shall be filled in an action taken in accordance with Section 6 of Article III at a regular or special meeting of the National Board.

Section 4. Removal. Any member of a committee may be removed at any time with or without Cause in an action taken in accordance with Section 6 of Article III.

Section 5. Minutes. Each committee shall keep regular minutes of its proceedings and report the same to the National Board when required.

Section 6. Responsibility of Directors. The designation of a committee and the delegation thereto of authority shall not operate to relieve the National Board, or any member thereof, of any responsibility or liability imposed upon it or him by law.

Any resolutions adopted or other action taken by a committee within the scope of the authority delegated to it by the National Board shall be deemed for all purposes to be adopted or taken by the National Board.

If action taken by a committee is not thereafter formally considered by the National Board, a Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

Section 7. Meetings, Notice and Voting. Except as otherwise provided, the provisions set forth in Article III of these Bylaws governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the National Board, apply to committees of the National Board and their members.

Section 8. Prohibited Actions

A committee of the National Board shall not:

- (1) Approve dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets;
- (2) Elect, appoint or remove Directors, or fill vacancies on the National Board of Directors or on any of its committees; or
- (3) Adopt, amend or repeal the Articles of Incorporation or Bylaws.

**ARTICLE V  
CHAPTERS**

Section 1. General Powers. The Corporation may have one or more Chapters (each a "Chapter") with its own Board of Trustees (each a "Chapter Trustee"). Each Chapter may set its own rules and guidelines with regard to its Chapter Trustees, including term limits and manner of acting ("Chapter Rules and Guidelines"). Any such Chapter Rules and Guidelines must be approved by the National Board before they become effective. All corporate powers related to each Chapter shall be exercised by or under the authority of, and the business and affairs of the Chapter managed under the direction of, the Chapter, subject to the oversight and control of the National Board.

Section 2. Number and Qualifications. The total number of Chapter Trustees in each Chapter shall be not less than twelve (12) nor more than twenty-five (25), and except as otherwise provided herein, shall be determined from time to time by each Chapter, but only in the absence of direction by the National Board. The National Board may, but is not required to, elect Chapter Trustees. Any Chapter Trustee elected by the National Board may be removed only by the National Board. Each Chapter may elect Chapter Trustees for those Chapter Trustee positions that have not been filled by the National Board. Any Chapter Trustee who is elected by the Chapter may be removed by a majority vote of that Chapter's Trustees, excluding the vote of the Chapter Trustee to be removed, or by the National Board. Each Chapter Trustee shall hold office subject to the Chapter Rules and Guidelines or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Chapter Trustees need not be residents of the State of North Carolina.

Section 3. Vacancies and Tenure of Additional Chapter Trustees. A Chapter Trustee may resign at any time by communicating the Chapter Trustee's resignation to the Corporation, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. Except as otherwise provided by law, the Articles of Incorporation, or these Bylaws, any vacancy occurring in the Chapter Trustees may be filled by an action of the National Board taken in accordance with Section 6 of Article III. In the absence of action by the National Board, each Chapter may take action to fill a vacancy that occurs in the Chapter Trustees in accordance with Section 5 of Article VI.

Section 4. Compensation. Chapter Trustees shall serve without compensation, but may be reimbursed for expenses actually and reasonably incurred on behalf of Corporation.

## **ARTICLE VI MEETINGS OF CHAPTER TRUSTEES**

Section 1. Meetings. Meetings of each Chapter may be called without notice at any place, either within or without the State of North Carolina. The Chapter may provide, by resolution, the time and place, either within or without the State of North Carolina for the holding of additional regular meetings without other notice than such resolution. In addition to meetings called by the Chapter, the National Board may call a meeting of any Chapter at any time.

Section 2. Notice. The person calling the meeting shall give or cause to be given oral or written notice of meetings of the Chapter to each Chapter Trustee not less than three (3) days before the date of the meeting.

Neither the business transacted at, nor the purposes of, any regular or special meeting of the Chapter need be specified in the notice or waiver of notice of such meeting unless required by law.

Section 3. Waiver of Notice. A Chapter Trustee may waive any notice required by law, the Articles of Incorporation, or these Bylaws before or after the date and time stated in the notice. Except as provided in the following paragraph, the waiver must be in writing, signed by the Chapter Trustee entitled to the notice, and delivered to the Corporation for filing with the minutes or corporate records.

A Chapter Trustee's attendance at or participation in a meeting waives any required notice to him of the meeting unless the Chapter Trustee at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 4. Quorum. A quorum of the Chapter shall be considered present if a majority of the members of the Chapter are present. In determining whether a quorum is present, an absent member of the Chapter shall be considered present if a present member holds a written appointment form appointing the present member to vote or otherwise act on behalf of the absent member with respect to any matter that comes before the Chapter at such meeting.

Section 5. Manner of Acting. With respect to any matter which the Chapter has the authority to act upon, if a quorum is present when a vote is taken, the affirmative act of a majority of the Chapter Trustees present, is the act of the Chapter except as otherwise provided by law or in these Bylaws.

Certain matters, as provided herein in these Bylaws or in the Articles of Incorporation of the Corporation or required by applicable law, may require the action of less than the Chapter.

Section 6. Presumption of Assent. A Chapter Trustee who is present at a meeting of the Chapter when corporate action is taken is deemed to have assented to the action taken unless:

- (a) He or she objects at the beginning of the meeting (or promptly upon his arrival) to holding it or transacting business at the meeting;
- (b) His or her dissent or abstention from the action taken is entered in the minutes of the meeting; or
- (c) He or she files written notice of his dissent or abstention with the presiding officer of the meeting before its adjournment or with the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

Section 7. Action by Chapter Trustees Without Meeting. Action required or permitted by law to be taken at a Chapter meeting may be taken without a meeting if the action is taken by all members of the Chapter. The action must be evidenced by one or more written consents signed by each Chapter Trustee before or after such action, describing the action taken, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last Chapter Trustee signs the consent, unless the consent specifies a different effective date. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document.

Section 8. Meetings by Conference Telephone. Any one or more of the Chapter Trustees may participate in a meeting of the Chapter by means of a conference telephone or similar communications device by which all Chapter Trustees participating may simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed present in person at such meeting.

## **ARTICLE VII OFFICERS**

Section 1. Officers of the Corporation. The officers of the Corporation shall consist of a National Executive Director, a National Managing Director, a Secretary and a Treasurer. The National Board shall also have the authority to elect Assistant Secretaries, Assistant Treasurers and other officers as the National Board may from time to time appoint or remove as provided herein. The same individual may simultaneously hold more than one office in the Corporation, but no individual may act in more than one capacity where action of two or more officers is required.

Section 2. Appointment and Term. Subject to Section 4 below, the officers of the Corporation shall be appointed by the National Board in accordance with Section 6 of Article III and each officer shall hold office until his or her death, resignation, retirement, removal, disqualification or his or her successor shall have been appointed.

Section 3. Compensation of Officers. Except for the National Executive Director and National Managing Director, the officers shall not be entitled to receive compensation for their services as officers. The compensation of the National Executive Director and the National Managing Director of the Corporation shall be fixed by the National Board and no officer shall serve the Corporation in any other capacity and receive compensation therefor unless such additional compensation be authorized by the National Board. The appointment of an officer does not itself create contract rights. Any compensation paid to any officer shall be reasonable and comparable to compensation paid to officers of other similarly situated tax-exempt organizations. The National Board shall vote and approve any compensation to be paid to any officer prior to such payment, such approval to be documented in the minutes of the applicable National Board meeting or resolution of the Directors approving such compensation arrangement.

Section 4. Removal of Officers. The National Board may remove any officer at any time, except that the Chairman or Vice Chairman, acting either individually or collectively, shall have the sole authority to remove the National Managing Director, all with or without Cause.

Section 5. Resignation. An officer may resign at any time by communicating his or her resignation to the Corporation, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date that is accepted by the Corporation, the National Board may fill the pending vacancy before the effective date if the National Board provides that the successor does not take office until the effective date. An officer's resignation does not affect the Corporation's contract rights, if any, with the officer.

Section 6. Bonds. The National Board may by resolution require any officer, agent, or employee of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned upon the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the National Board.

Section 7. National Executive Director. The National Executive Director shall be the principal executive officer of the Corporation and ex-officio member of the National Board, and, subject to the control of the National Board and Chairman, shall in general supervise and control all of the business and affairs of the Corporation. The National Executive Director shall report directly to the Chairman of the National Board. Upon the death or resignation of the National Executive Director, then the National Executive Director shall be elected in an action taken by the National Board in accordance with Section 6 of Article III.

The Chairman of the National Board, the Vice Chairman of the National Board or the National Executive Director shall sign any deeds, mortgages, bonds, contracts or other instruments which the National Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the National Board or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and shall perform such other duties as may be directed by the National Board from time to time.

Section 8. National Managing Director. The National Managing Director, if one is appointed by the Chairman or the Vice Chairman, shall report directly to the Vice Chairman. In the absence of the National Executive Director or in the event of his or her death, inability or refusal to act, the National Managing Director, unless otherwise determined by the National Board, shall perform the duties of the National Executive Director, and when so acting shall have all the powers of and be subject to all the restrictions upon the National Executive Director. The National Managing Director shall perform such other duties as from time to time be assigned to him or her by the Chairman, Vice Chairman or the National Board.

Section 9. Secretary. The Secretary shall: (a) attend all meetings of the National Board, keep the minutes of such meetings in one or more books provided for that purpose, and perform like duties for the standing committees when required; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; (d) keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and (e) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the National Board or by the National Executive Director, under whose supervision he shall be.

The Secretary shall keep or cause to be kept at the Corporation's principal office a record of the Corporation's Directors, giving the names and addresses of all Directors and such other records as are required to be kept at the Corporation's principal office by NC. Gen. Stat. §55A-16-01 and any successor to such statute.

Section 10. Assistant Secretaries. In the absence of the Secretary or in the event of his death, inability or refusal to act, any Assistant Secretary, unless otherwise determined by the National Board, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be assigned to them by the Secretary, by the National Executive Director or by the National Board.

Section 11. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for money due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such depositories as

shall be selected in accordance with the provisions of Article VII, Section 4 of these Bylaws; and (b) in general perform all of the duties incident to the office of Treasurer, including preparing, or causing to be prepared, all financial statements required by law, and such other duties as from time to time may be assigned to him by the National Executive Director or by the National Board.

Section 12. Assistant Treasurers. In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as Assistant Treasurer, unless otherwise determined by the National Board, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. They shall perform such other duties as may be assigned to them by the Treasurer, by the National Executive Director or by the National Board.

## **ARTICLE VIII CONTRACTS, LOANS, CHECKS AND DEPOSITS**

Section 1. Contracts. The Chairman, Vice Chairman, National Executive Director and National Managing Director shall have the authority to enter in to contracts of the Corporation that are in the ordinary course of business. The National Board may authorize any other officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the National Board. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the National Board.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the National Board may select.

## **ARTICLE IX GENERAL PROVISIONS**

Section 1. Prohibition of Stock. The Corporation shall neither authorize nor issue shares of stock.

Section 2. Distributions. The Corporation shall not make any distributions except those in accordance with N.C. Gen. Stat. §55A-13-02. The Corporation may pay reasonable amounts to its Directors or officers for services rendered or other value received and may confer benefits upon its Directors in conformity with its purposes. The



Corporation may distribute funds to charitable organizations which are exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 or any successor section which provide medical, social and educational services to children selected and determined by the Board of Directors of each Chapter.

Section 3. Fiscal Year. The fiscal year of the corporation shall be fixed by the National Board.

Section 4. Pronouns. Each reference to pronouns herein shall be construed in the masculine, feminine, neuter, singular or plural, as the context may require.

Section 5. Amendments. Except as provided in the Articles of Incorporation or hereinafter set forth, a two-thirds majority of the full National Board may amend the Bylaws. The Corporation shall provide at least five days written notice of any meeting of Directors, or a subset of Directors, at which an amendment is to be voted upon. The notice must state that the purpose or one of the purposes of the meeting is to consider a proposed amendment to the Bylaws and contain or be accompanied by a copy or summary of the proposed amendment or state the general nature of the amendment.

Section 6. Voting of Shares of Other Corporations. Authority to vote shares of another corporation or of any association held by this Corporation, and to execute proxies and written waivers and consents in relation thereto, shall be vested exclusively in the National Executive Director or such officer(s) and employee(s) of this Corporation as shall be expressly identified by name or title from time to time by the National Board in resolutions formally adopted for that purpose.

Section 7. Purposes. The purposes of the Corporation are stated in its Articles of Incorporation.

The purposes of the Corporation shall be amended only by a vote of two-thirds majority of the full National Board, provided that in all events the purposes of the Corporation must satisfy the requirement necessary to maintain tax-exempt status under Section 501(c)(3) of the Code.

Section 8. Conversion. The National Board, upon unanimous approval, shall have the authority to convert the Corporation to any other business or entity form, including a trust. Upon such approval, the National Board shall be authorized to execute and file any documents required to affect such conversion.

## **ARTICLE X INDEMNIFICATION**

Section 1. Coverage. Any person who at any time serves or has served as a Director or officer of the Corporation or a Chapter Trustee, or in such capacity at the request of the Corporation or a Chapter for any other corporation, partnership, joint venture, trust or other enterprise, or as a trustee or administrator under an employee benefit plan, shall have a right to be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including reasonable attorneys' fees,

actually incurred by him in connection with any threatened, pending or completed action, suit or proceeding (and any appeal thereof), whether civil, criminal, administrative, investigative or arbitrative, and whether or not brought by or on behalf of the Corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine (including, without limitation, an excise tax assessed with respect to an employee benefit plan), penalty or settlement for which he may have become liable in any such action, suit or proceeding.

Section 2. Payment. Expenses incurred by such person shall be paid in advance of the final disposition of such investigation, action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation.

Section 3. Evaluation. The National Board shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Article VIII, including without limitation, to the extent needed, making a determination that indemnification is permissible under the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the amount of indemnity due him.

The Corporation shall indemnify a Director or Chapter Trustee who was wholly successful, on the merits or otherwise, in the defense of any proceedings to which the Director was a party because he is or was a director of the Corporation against reasonable expenses actually incurred by the Director in connection with the proceeding.

The Corporation shall not indemnify a Director or Chapter Trustee in connection with a proceeding by or in the right of the Corporation in which the Director or Chapter Trustee was adjudged liable to the Corporation. The Corporation shall not indemnify a person against liability or expenses the person may incur on account of his activities which were at time taken, known, or believed by the person to be clearly in conflict with the best interests of the corporation or if the person received an improper personal benefit.

Section 4. Consideration. Any person who at any time 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 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 this Article VIII. Any repeal or modification of these indemnification provisions shall not affect any rights or obligations existing at the time of such repeal or modification.

Section 5. Definitions. For purposes of this Article VIII, terms defined by the North Carolina Non-Profit Corporation Act and used but not defined herein shall have the meanings assigned to them by the North Carolina Non-Profit Corporation Act.

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