

ByLaws Of Little Pink Houses of Hope

Article I. Name

The name of the organization will be called Little Pink Houses of Hope; hereinafter referred to in these Bylaws as the "Corporation".

Article II. Non-Profit Status

The Corporation which organizes under the Non-Profit Corporation Act of North Carolina will operate exclusively for charitable purposes. The Board of Directors will conduct all corporate acts in accordance with the North Carolina Nonprofit Corporation Act ("Act"), as amended, and with all state and federal laws and regulations which may be necessary to obtain tax-exempt status under applicable state and federal law. The Bylaws will be maintained at the Corporation's principal office in North Carolina as required by the Act. In the event of the dissolution of the Corporation, distribution of assets will be made in accordance with the provisions of the Act. In no event will assets be directly or indirectly distributed to, or inure to the benefit of any member, former member, director, former director, officer, or former officer of the Corporation.

Article III. Offices

The principal office of the Corporation in the State of North Carolina will be located at 2442 Tribek Ct., Burlington, North Carolina. The Corporation may have such other offices, either within or outside the State of North Carolina, as the Board of Directors may designate or as appropriate or necessary for the conduct of the affairs of the Corporation. The registered office of the Corporation, required by the Act to be maintained in the State of North Carolina, may be, but not necessarily be, identical with the principal office in the State of North Carolina, and the Board of Directors may change the address of the registered office as appropriate or necessary for the conduct of the affairs of the Corporation.

Article IV. Members

The Corporation will have no members.

Article V. Meetings of Directors

Section 1. Regular Meetings. The annual meeting will be held on the first day of February of each year beginning the year 2011 or at such other time as fixed by the Board of Directors. The Board of Directors may also hold regular meetings. The Board of Directors may provide, by resolution, the time and place, either within or outside the State of North Carolina, for the holding of additional regular meetings without other notice than such resolution. Meetings may be held in a form other than physical presence, such as conference calls or teleconferences.

Section 2. Special Meetings. Special meetings may be called by the Board Chair or by one-third of the members of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or outside

the State of North Carolina, as the place for holding any special meeting of the Board of Directors called by them. Meetings may be held in a form other than physical presence, such as conference calls or teleconferences.

Section 3. Notice.

- a. Notice need not be given of regular meetings of the Board of Directors held at times fixed by resolution of the Board of Directors. Written notice stating the place, date and hour of the annual meeting will be communicated to the email address of record for each director entitled to vote at the meeting not less than 15 days or more than 60 days before the date of the meeting, by or at the direction of the Secretary.
- b. Notice for special meetings must be given at least one week in advance. Notice will be directed to each director at the director's address of record by regular mail, email, telephone or may be delivered personally. Any action taken at a special meeting will be voidable upon a failure to obtain acknowledgement of receipt of notice from any member of the Board of Directors. Notice delivered by mail will be deemed received when deposited in United States mail, so addressed, with postage thereon prepaid.
- c. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Meetings may be held at any time without notice if all the directors are present, or if any time before or after the meeting those not present waive notice of the meeting in writing.

Section 4. Waiver of Notice. Any director may waive notice of any meeting. The attendance of a director at a meeting will constitute a waiver of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Quorum. One half of the number of directors then in office will constitute a quorum for the transaction of any business, except if the number of directors then in office is two, then two Directors will constitute a quorum. Except as otherwise provided in these Bylaws, the act of the majority of the directors present at a meeting or represented by proxy of which a quorum is present will be the act of the Board of Directors. A director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken, will be presumed to have assented to the action 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 will file written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof will forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent will not apply to directors who voted in favor of such action. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting, without further notice, until a quorum is obtained.

Section 6. Proxies. At any meeting of the Board of Directors, a director entitled to vote may do so by proxy executed in writing for that meeting. Proxies may confer general voting rights, or they may be limited to prescribed action on a particular issue.

Section 7. Action Without Meeting. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by all the directors entitled to vote with

respect to the subject matter thereof and filed with the Secretary of the Corporation as part of the corporate records.

Section 8. Deadlock. In the event that an equal number of votes are cast for adoption or rejection of any proposal before the Board of Directors, a director who is also the President of the Corporation, or such other person as may be named by the Board of Directors, may cast a vote in the decision to break the tie.

Article VI. Board of Directors

Section 1. General Powers. The Board of Directors will be the governing body of the Corporation and the Board of Directors will oversee and manage the property, business and affairs of the Corporation in accordance to these Bylaws and the purposes of the non-profit Corporation. The Board of Directors will appoint officers and all committees and special positions as may be required. The Board of Directors will have the power to abolish any committee or special position.

Section 2. Number and Qualifications. The number of directors of the Corporation will be not less than fifteen or as determined by resolution of the Board of Directors. The directors need not be residents of the State of North Carolina and need not be employees of the Corporation. Directors shall have a demonstrated commitment to the Corporation's mission.

Section 3. Nomination. The Board of Directors will nominate all director candidates at the annual meeting or at a special meeting called for that purpose. All director candidates must be contacted prior to being nominated to obtain their agreement to serve if elected.

Section 4. Election. Directors will be elected by a simple majority vote cast at the annual meeting of each year, or at a special meeting called for that purpose, by the Board of Directors in office at the time when a call for nominations is made. The initial Board of Directors will be appointed by the incorporator(s) of the Corporation.

Section 5. Term of Office. Each Director will hold office until his or her term expires; death, resignation, removal, disqualification, or his or her successor has been elected or appointed. Directors will serve for a term of three years or until a successor is duly elected or appointed. Except in the case of the first Board of Directors, which will be established after the effective date of these Bylaws, the term for the Board of Directors will begin at the annual meeting following election. There is no limit on the number of terms a Director can serve.

Section 6. Removal of Directors. An individual director may be terminated for malfeasance, misfeasance, or nonfeasance by a two-thirds vote of the Board of Directors. Nonfeasance includes, but is not limited to the failure to attend a majority of regular meetings throughout the calendar year.

Section 7. Vacancies. Any vacancy on the Board of Directors other than those resulting from completion of terms of office, will be filled by appointment of a person approved by majority vote of the remaining directors and the person so appointed will serve out the unexpired period of the term.

Section 8. Resignations. Any director may resign at any time by giving written notice to the President. The resignation takes effect upon receipt of notice or at a later date if specified in the notice; and unless otherwise specified therein, the acceptance of such resignation will not be necessary to be effective.

Section 9. Compensation. No director will receive any compensation for his or her service in such capacity, except that the Board of Directors may by resolution provide for the reimbursement of actual travel and lodging expenses incurred in the performance of the duties of directors, to the extent provided by such resolution, and except as otherwise provided in these Bylaws. Unless otherwise provided in the Bylaws, no director will be precluded from serving as an officer or in any other capacity within the Corporation and receiving reasonable compensation for his or her services in that capacity.

Section 10. Committees. The Board of Directors may create committees which will have and may exercise such powers as conferred or authorized by the resolutions creating them. The designation of any committee and the delegation thereto of authority will not relieve the Board of Directors, of any responsibility or liability imposed upon it or him or her by law. A majority of any such committee, if the committee is composed of more than two members, may determine its action and fix the time and place of its meetings, unless the Board of Directors will provide otherwise. If an Executive Committee is created, it will be composed of two or more members of the Board of Directors, including the Board Chair. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee will have all of the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, subject to the direction and control of the Board of Directors.

Article VII. Officers

Section 1. Number. The officers of the Corporation will be a Board Chair, a Vice Chair, a Secretary, and a Treasurer. The Board of Directors may authorize, and such subordinate additional Vice Chair officers or may appoint or authorize the Board Chair to appoint. Any two or more offices may be held by the same person, except the offices of Board Chair and Secretary. No officer may act in more than one capacity where action or two or more officers is required.

Section 2. Election. The Board of Directors, initially and at such subsequent annual meeting thereafter, will elect from among directors the Board Chair, Vice-Chair, Secretary, and Treasurers and such Vice-Chairs as the Board of Directors may have authorized. Each officer, except such officers as may be appointed in accordance with provisions of Section 3 of this Article, will be chosen by a majority vote of the directors present at the annual meeting of the Board of Directors. If the election of the officers is not held at the annual meeting, such election as soon thereafter as conveniently may be. Each officer will hold office for one year from the time of their election until his or her death, resignation, retirement, removal, or disqualification, if such occurs before the next annual meeting or until his or her successor has been elected and qualified. If necessary to fill offices that have become vacant, the Board of Directors may elect officers at any regular meeting.

Section 3. Subordinate Officers and Agents. The Board of Directors may from time to time appoint other officers, subordinate officers or agents, each of whom will hold office for such period, have such authority, and perform such duties as the Board of Directors may determine. The Board of Directors may delegate to any officer or agent the power

to appoint any subordinate officer or agent and to prescribe his or her authority and duties.

Section 4. President/ Executive Director. The President of the Corporation will be the chief executive officer of the Corporation and will direct and execute all decisions of or programs adopted by the Board of Directors and will perform such duties as the Board of Directors may prescribe or authorize. The foregoing duties include, but are not limited to:

- a. The hiring and discharging employees;
- b. The execution of contracts, deeds, mortgages, bonds or other instruments on behalf of the Corporation, except in cases where execution thereof is expressly delegated by the Board of Directors or by the Bylaws to some other officer or agent of the Corporation, or will be required by law to be otherwise signed or executed;
- c. The signing of checks, drafts, or other orders for payment of money;
- d. The depositing of all monies and other assets in the name of the Corporation according to the policies or in such depositories as the Board of Directors may prescribe;
- e. See all books, reports and certificates required by law are properly filed;
- f. Serve as a voting member of the Board of Directors;
- g. Serve on the Executive Committee if the Board of Directors authorizes an Executive Committee; and
- h. Furnish the Board of Directors with an operating and financial report at each meeting thereof.

Section 5A. The primary function of the Board Chair is to ensure that the Board of Directors fulfills its responsibilities to the organization. The foregoing duties include, but are not limited to:

Chair meetings of the board and executive committee.

- Call special meetings if necessary.
- Serve as ex officio member of all committees.
- Work in partnership with the President/ Executive Director to achieve the mission of the organization and make sure board resolutions are carried out.
- Communicate any concerns management has regard to the role of the Board or individual board members. Communicate to Executive Director the concerns of the Board and other constituencies.
- Appoint all committee chairs and with the Executive Director recommend who will serve on committees.
- Assist the Executive Director in preparing the agenda for board meetings.
- Work with the staff to recruit board members and other needed volunteers.
- Conduct new board member orientations.
- Oversee searches for the Executive Director. Recommend salary for consideration by the appropriate committee.
- Coordinate periodic board assessment with the staff.
- Periodically consult with board members on their roles helping them assess their performance
- Annually focus the Board's attention an assessment of its own structure, role, and relationship to management.

Section 5B. Vice Chair. At request of the Board Chair, or if the Board Chair is absent, disabled, or refuses to act, the Vice Chair (or in the event there be more than one Vice Chair, the vice chairs in order designated at the time of their election, or in absence of

designation, then in the order of their election) will perform all the duties of the President and when so acting will have all the powers of and be subject to all the restrictions upon the Board Chair. The Vice Chair(s) will perform such other duties and have such other authority as assigned or authorized by the Board of Directors.

Section 6. Secretary. The Secretary will do or oversee the following:

- a. The keeping of minutes of all meetings of the Board of Directors and the Executive Committee, including all votes and resolutions adopted;
- b. The recording of all corporate documents and records;
- c. The issuing of notices for the annual meeting, for meetings of the Board of Directors, or any other notices required in accordance with the provisions of these Bylaws or as required by law;
- d. The filing of all reports required by governmental authorities.
- e. Be the custodian of the seal of the Corporation, and see that the seal is affixed to all documents requiring such seal;
- f. Submit to Board of Directors any communications which is addressed to him/her as Secretary of the Corporation;
- g. Attend to all correspondence of the Corporation; and
- h. Will have all other responsibilities as the Board of Directors may prescribe.

In the absence of the Secretary or in the event of his or her death, inability or refusal to act, the Assistant Secretary, unless otherwise determined by the Board of Directors will perform the duties of the Secretary, and when so acting will have all the powers of and be subject to all restrictions upon the Secretary. The Assistant Secretary will perform such other duties as may be assigned by the Secretary, President or the Board of Directors.

Section 7. Treasurer. The Treasurer will oversee the custody of and be responsible for all funds, securities, and assets of the Corporation. The foregoing duties include, but are not limited to:

- a. Receipt and give receipts for monies due and payable to the Corporation;
- b. Deposit of all monies and other assets in the name of the Corporation according to the policies or in such depositories as the Board of Directors may prescribe;
- c. The signing of checks, drafts, or other orders for payment of money;
- d. Make to the Board of Directors at each meeting an accurate account of the Corporation's receipts and disbursements;
- e. Prepare or cause to be prepared a true statement of the Corporation's assets and liabilities within a reasonable time after the close of each fiscal year;
- f. In conjunction with the President/Executive Director, make financial information available to the Board of Directors and to the public;
- g. Will have other responsibilities as the Board of Directors may prescribe.

In the absence of the Treasurer or in the event of his or her death, inability or refusal to act, the Assistant Treasurer, unless otherwise determined by the Board of Directors will perform the duties of the Treasurer, and when so acting will have all the powers of and be subject to all restrictions upon the Treasurer. The Assistant Secretary will perform such other duties as may be assigned by the Treasurer, Board Chair or the Board of Directors.

Section 8. Surety. The Board of Directors may require the Treasurer, Board Chair, or any other officer or assistant officer to furnish such surety as it may determine.

Section 9. Compensation of Officers. Officers may be paid such reasonable compensation as the Board of Directors or its Executive Committee may authorize or direct. No officer will be prevented from receiving compensation by reason of the fact that he or she is also a director of the Corporation. Officers may also receive reimbursement for actual disbursements expended on behalf of or in service to a Corporation and according to the policies authorized by the Board of Directors.

Section 10. Resignations. Any officer may resign at any time by given written notice to the Board Chair, Board of Directors, or appointed officer in accordance with Section 3 of this Article. The resignation takes effect upon receipt of notice or at a later date if specified in the notice; and unless otherwise specified therein, the acceptance of such resignation will not be necessary to be effective.

Section 11. Removal. Any officer or agent may be removed by a vote of two-thirds of the directors then in office to remove him or her from office if in their judgment the best interests of the Corporation will be served thereby. Any officer or agent may also be removed from office of the Board of Directors, upon such terms as may have been specified in writing at the time of appointment for each officer. The removal of any person from office will be without prejudice to the contract rights, if any, of the person so removed.

Section 13. Vacancies. Replacement officers or agents to fill vacancies due to resignation, removal or death of the incumbent will be appointed by a majority vote of the quorum of the Board or by any officer or agent to which the Board has conferred the power of appointment, as appropriate. Replacement appointments will be for the unexpired term of the office.

Article VIII. Conflict of Interests

Section 1. Purpose. The purpose of the conflict of interest policy is to protect this tax-exempt Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions.

- a. **Interested Person.** Any director, principal officer, or member of a committee with Board of Director delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
 - 2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

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

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

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

Section 5. Procedures for Addressing the Conflict of Interest.

- a. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she will leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Board Chair of the Board of Directors or committee will, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors or committee will determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee will determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Section 6. Violations of the Conflicts of Interests Policy.

- a. If the Board of Directors or committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it will inform the interested person of the basis for such belief and afford him or her opportunity to explain the alleged failure to disclose.
- b. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board of Directors or

committee determines the interested person has failed to disclose an actual or possible conflict of interest, it will take appropriate disciplinary and corrective action.

Section 7. Records of Proceedings. The minutes of the Board of Directors and all committees with Board of Directors delegated powers will contain:

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

Section 8. Compensation.

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

Section 9. Annual Statements. Each director, officer and member of a committee with Board of Directors delegated powers will annually sign a statement which affirms such person:

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

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

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable

purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 10. Use of Outside Experts. When conducting the periodic reviews the Corporation may, but need not, use outside advisors. If outside experts are used, their use will not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Article IX. Miscellaneous Provisions

Section 1. Indemnification. Every person who is or will have been a director or officer of the Corporation and his or her personal representatives will be indemnified by the Corporation against all costs and expenses reasonably incurred by or imposed upon him or her in connection with or resulting from any action, suit, or proceeding, civil or criminal, to which he or she may be made a party by reason of his or her being or having been a director or officer of the Corporation or of any subsidiary or affiliate thereof, except in relation to such matters as to which he or she will finally be adjudicated in such action, suit, or proceeding to have acted in bad faith and to have been liable by reason of willful misconduct in performance of his or her duty as such director or officer. "Costs and expenses" will include, but without limiting the generality thereof, attorney's fees, damages and reasonable amounts paid in settlement.

Section 2. Fiscal Year. The fiscal year of the Corporation will begin on the first day of January and end on the thirty-first day of December in each year, unless otherwise determined by the Board of Directors.

Section 3. Corporate Seal. The corporate seal will be approved by the Board of Directors.

Section 4. Amendments. The Bylaws may be altered, amended, or repealed and new Bylaws adopted upon the vote of two-thirds of the members of the Board of Directors present and voting at a duly constituted meeting, provided that notice of such proposed action, including the content thereof, be included in the call for the meeting. These Bylaws may also be amended by mail ballot; the notice of vote will include a description of the proposed amendment and a statement as to its effect and purpose. Corrections and clarifications made to these Bylaws will not be considered amendments.

Section 5. Activities of the Corporation. No substantial part of the activities of the corporation will be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation will not participate in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Corporation will not carry on any other activities not permitted to be carried on (a) by a Corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States Internal Revenue Law) of (b) Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States Internal Revenue Law).

Section 6. Dissolution and Distribution of Assets. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its trustees, officers or other private persons, except that the Corporation will be authorized and empowered to

Adopted by the Board of Directors on 11/1/2010

pay reasonable compensation for services rendered in furtherance of the purposes set forth herein. The Corporation may be dissolved and its assets and liabilities liquidated in such manner as the Board of Directors will resolve, provided that upon dissolution, after payment of all debts, no part of the remaining assets be distributed to any trustee or officer of the Corporation but will be distributed as the Articles of Incorporation direct in accordance with such laws and regulations as may be applicable thereto, provided, however, that the distribution must be to another organization exempt under Section 501(c)(3) of the United States Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States Internal Revenue Law), or to the United States, state or local governments, for a public purpose.

Certification of Adoption

This is to certify that the foregoing is a true and correct copy of the Bylaws of Little Pink Houses of Hope and such bylaws were duly adopted of the sole incorporator of said Corporation on the date set forth below.

Dated: _____

Adopted by the Board of Directors 11/1/2010